

AGENDA BOOK Board of Regents



CAMDEN CARROLL LIBRARY, MOREHEAD, KY. 40351

MEETING SCHEDULE

Friday, June 8, 2001

9 a.m.

Board of Regents

Riggle Room

Immediately
following BOR
meeting

Lunch

Heritage Room



Academic Affairs

Helen Pennington, Chair
Madge Baird
Lynne Fitzgerald
Teresa Johnson
Sylvia Lovely
Charles Rhodes

Administration and Fiscal Services

Juanita Mills, Chair
Gene Caudill
Lynne Fitzgerald
Helen Pennington
Jerry Umberger

Student Life and External Relations

Jerry Umberger, Chair
Madge Baird
Gene Caudill
Lynne Fitzgerald
Teresa Johnson
Sylvia Lovely
Charles Rhodes

Audit Committee

Juanita Mills, Chair
Buckner Hinkle, Jr.
Helen Pennington
Jerry Umberger

Officers of the Board

Buckner Hinkle, Jr., Chair
Juanita Mills, Vice Chair
Porter Dailey, Treasurer
Carol Johnson, Secretary

**BOARD OF REGENTS
MOREHEAD STATE UNIVERSITY
June 8, 2001**

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June 8, 2001

9 a.m., Riggle Room, Adron Doran University Center, Morehead, Kentucky

AGENDA

- I. CALL TO ORDER**
- II. ROLL CALL**
- III. APPROVE MINUTES OF MARCH 3, 2001**
- IV. RESOLUTIONS OF COMMENDATION**
- V. PRESIDENT'S RECOMMENDATIONS AND REPORTS**
 - A. Recommendations**
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VI. OTHER BUSINESS

A. President's Contract

B. Future Meetings

- 1. Administrative Retreat -- August 6 & 7, 2001
- 2. BOR Work Session -- September 8, 2001
- 3. BOR Third Quarter Meeting -- September 22, 2001

VII. ADJOURNMENT

**BOARD OF REGENTS
MOREHEAD STATE UNIVERSITY**

March 3, 2001

The Board of Regents of Morehead State University met on Saturday, March 3, 2001, in the Riggle Room of the Adron Doran University Center in Morehead, Kentucky.

CALL TO ORDER

Chair Jones convened the meeting at 9 a.m.

ROLL CALL

The following members were present: Madge Walters Baird, Gene Caudill, Teresa Johnson, L. M. Jones, Sylvia Lovely, Juanita Mills, Helen Pennington, Charles M. Rhodes, and Jerry Umberger. Lynne Fitzgerald and Buckner Hinkle, Jr. did not attend.

Others present: President Ronald G. Eaglin; Vice Presidents Michael Moore, Porter Dailey, Michael Mincey, and Keith Kappes; and other members of the faculty, staff, and administration.

**DECEMBER 9,
2000, MINUTES**

Ms. Mills moved, seconded by Ms. Baird, to approve the minutes of the December 9, 2000, meeting as distributed. The motion carried.

The President recommended:

**HONORARY
DOCTORATE**

RECOMMENDATION: That the Board of Regents approve the awarding of an honorary degree of DOCTOR OF PUBLIC SERVICE to Kentucky First Lady Judi Conway Patton at the Spring Commencement ceremony on May 12, 2001.

(Additional background information attached to these minutes and marked V)

MOTION: Ms. Pennington moved, seconded by Ms. Mills, to approve the President's recommendation.

VOTE: The motion carried.

The President recommended:

**FOUNDERS DAY
AWARD FOR
UNIVERSITY
SERVICE**

RECOMMENDATION: That the Board approve the selection of Mignon McClain Doran of Lexington, Kentucky, as the recipient of the 2001 Founders Day Award for University Service.

(Additional background information attached to these minutes and marked VI)

**SPOTLIGHT
PRESENTATION**

MOTION: Ms. Baird moved, seconded by Mr. Umberger, to approve the President's recommendation.

VOTE: The motion carried.

Ms. Johnson, who is the student representative on the Board and also president of the Student Government Association, made the Spotlight Presentation. In addition to discussing the organizational structure of the Student Government Association, she highlighted some of the activities in which the SGA has been involved during the current year. These include working on community service projects, establishing a Homecoming King competition, sponsoring a trip to Eastern Kentucky University to support the Lady Eagles basketball team in the OVC tournament, and working to create a new student-run, campus-based radio station.

**SUSPENSION/
DELETION OF
DEGREE
PROGRAMS**

The President recommended:

RECOMMENDATION: That the Board approve the suspension of the BS degree in Medical Technology (CIP 51.1005) and the deletion of the following programs:

52.0701--AAB Enterprise Management and Operations General

13.1320--BS Trade and Industrial Teacher Education, Vocational

13.1399.02--BS Math and Physical Sciences Teacher Education

19.0101--BS Home Economics, General

40.0101--BS Physical Sciences, General

51.1699.01--BSN Nursing, General (Post-R.N.)

13.0802--EdD (Cooperative) in Educational Psychology

13.1399.03--EdD (Cooperative) in Vocational Teacher Education

(Additional background information attached to these minutes and marked VIII-A-1)

Dr. Moore informed the Board that in November 1999, the Council on Postsecondary Education initiated a productivity review of the status of all existing programs at all of the universities. These were programs that have been in operation for more than four years and do not appear to be meeting the needs of the statewide system of postsecondary education. As a result of

**QUALITATIVE
WAIVER**

this review, the Council identified eight programs that did not pass the initial screen for productivity—programs that confer fewer than 12 associate, 12 bachelor's, 7 master's or 5 doctoral degrees calculated as a five-year average. Each institution was then asked to review each identified program and make a written recommendation on whether it is to be continued, modified, eliminated, or consolidated into a cooperative program.

MOTION: Mr. Caudill moved, seconded by Ms. Pennington, to approve the President's recommendation.

VOTE: The motion carried.

The President recommended:

RECOMMENDATION: That the Board approve the following resolution:

BE IT RESOLVED by the Board of Regents of Morehead State University that the University is exercising its option for a Qualitative Waiver to submit new academic program proposals to the Council on Postsecondary Education during calendar year 2001 for the Council's review under the provisions of the 1997-2002 *Kentucky Plan for Equal Opportunities in Postsecondary Education*.

ADOPTED this third day of March 2001.

ATTEST:

Secretary, Board of Regents

Chair, Board of Regents

President, MSU

Dr. Eaglin explained that in order for the University to submit new programs to the Council on Postsecondary Education, the University must meet the affirmative action guidelines that have been established through legislative action.

**AREA OF
CONCENTRATION
IN COMPUTER
SCIENCE**

Dr. Francene Botts-Butler, Affirmative Action Officer, stated that under the *1997-2002 Kentucky Plan for Equal Opportunities in Postsecondary Education*, each public university is required to meet eight objectives. The majority of these objectives relate to the recruitment, retention, and graduation rates of Kentucky resident African-American students at both the undergraduate and graduate levels. In addition, the other three objectives relate to the employment of African-Americans. During the past year, the University met three of the eight objectives.

Ms. Lovely stated that this is a major public issue in Kentucky, and the University ought to be proactive. She suggested that the University might want to make this a community-wide effort in raising the issue of diversity and its importance.

Dr. Eaglin stated that the University has been the leader in the community in fostering the principles of affirmative action, such as creating an atmosphere in the community to hire African-Americans students.

MOTION: Ms. Mills moved, seconded by Mr. Umberger, to approve the President's recommendation.

VOTE: The motion carried.

The President recommended:

RECOMMENDATION: That the Board approve the proposed modifications in the existing Area of Concentration in Mathematics and Computing and, as a result, create and approve the Area of Concentration in Computer Science within the Department of Mathematical Sciences.

(Additional background information attached to these minutes and marked VIII-A-3-a)

Dr. Moore stated that the University has offered an Area of Concentration in Mathematics and Computing for more than 25 years. However, the program has not attracted as many high school graduates from the University's service region because of the high number of mathematics hours required. Moreover, program requirements have not kept pace with the rapidly changing role of technology, and the existing program does not contain words "Computer Science" in its title.

**BACHELOR OF
ARTS IN SPORT
MANAGEMENT**

As a result, a consultant was brought to the campus to assist the department in determining the program's future direction. The consultant's final report recommended that MSU develop a major in Computer Science under the renamed Department of Mathematics and Computer Sciences.

MOTION: Mr. Caudill moved, seconded by Ms. Pennington, to approve the President's recommendation.

VOTE: The motion carried.

The President recommended:

RECOMMENDATION: That the Board approve the proposed program: Bachelor of Arts in Sport Management within the Department of Health, Physical Education and Recreation.

(Additional background information attached to these minutes and marked VIII-A-3-b)

Dr. Moore stated that this program was not submitted for the Board's review at the work session because under the Council on Postsecondary Education's current policy, the University must offer any programs for a 45-day review on the CPE's website.

The proposed Bachelor of Arts in Sport Management is designed to provide students with the opportunity to develop expertise in business management and communications with an orientation toward the world of sport and recreation. This program will meet the 2000 national curriculum standards jointly developed by two professional associations, the North American Society of Sport Management (NASSM) and the National Association of Sport and Physical Education (NASPE). NASSM is the professional association of practitioners and academicians involved in sport administration. NASPE is a subdivision within the American Alliance of Health, Physical Education, Recreation, and Dance.

MOTION: Ms. Lovely moved, seconded by Dr. Rhodes, that the Board approve the President's recommendation.

VOTE: The motion carried.

**SABBATICAL
LEAVES**

The President recommended:

RECOMMENDATION: That the Board approve the granting of sabbatical leaves to the following faculty members contingent upon funding being available within academic affairs.

Fall 2001

Susanne M. Rolland, Associate Professor of Social Work

Spring 2002

Rosemary Carlson, Professor of Finance

Charles Patrick, Professor of Industrial Education

Wayne Willis, Professor of Education

2001/2002 Academic Year

Daniel Seth, Associate Professor of Mathematics

(Additional background information attached to these minutes and marked VIII-A-4)

Dr. Eaglin stated that the University has resolved the dispute with the Kentucky Teachers' Retirement System related to the Sabbatical Leave Program.

Ms. Pennington asked that the Board continue the practice of inviting sabbatical leave recipients to attend a Board meeting and report on their leaves.

MOTION: Mr. Caudill moved, seconded by Ms. Johnson, to approve the President's recommendation.

VOTE: The motion carried.

TENURE

The President recommended:

RECOMMENDATION: That the Board approve the granting of tenure for the following faculty member with the issuance of her contract for the 2001-2002 year:

Elizabeth Regan, Associate Professor of Information Systems

(Additional background information attached to these minutes and marked VIII-A-5)

**TENURE WITH
PROMOTION**

MOTION: Ms. Baird moved, seconded by Dr. Rhodes, to approve the President's recommendation.

VOTE: The motion carried.

The President recommended:

RECOMMENDATION: That the Board approve the granting of tenure and promotion to the associate professor rank for the following faculty members with the issuance of their contracts for the 2001-2002 year:

Dr. Dora Ahmadi, Mathematics
Dr. Seyed Ahmadi, Economics
Dr. Lary Cowart, Real Estate
Dr. Susan Eacker, History
Dr. Robert Frank, Speech
Dr. Teresa Hardman, HPER
Dr. Robert Hatfield, Management
Dr. Stephen Herzog, Government
Dr. Rebecca Katz, Sociology
Dr. Karen Lafferty, Education
Dr. Lesia Lennex, Education
Dr. Ricky Little, Music
Dr. Alana Scott, History
Dr. Gordon Towell, Music
Dr. Joan Whitworth, Science

(Additional background information attached to these minutes and marked VIII-A-6)

Of the 16 faculty members being recommended for tenure, nine are women and seven are men. Also, included in the group are an African-American, Native-American, Hispanic and Asian.

MOTION: Ms. Johnson moved, seconded by Mr. Umberger, to approve the President's recommendation.

VOTE: The motion carried.

**PERSONNEL
ACTIONS**

The President recommended:

RECOMMENDATION: That the Board ratify the Personnel Actions for the period November 6, 2000, through February 9, 2001.

(List of Personnel Actions and additional background information attached to these minutes and marked VIII-A-7)

Mr. Roger Barker, Director of Human Resources, noted some of the actions that occurred during the period November 6, 2000, to February 9, 2001—one death, one discharge, one leave of absence without pay, seven resignations (five faculty; two staff), seven retirements (five staff; two faculty), and one suspension without pay.

MOTION: Dr. Rhodes moved, seconded by Mr. Caudill, to approve the President's recommendation.

VOTE: The motion carried.

**SECOND
QUARTER
FINANCIAL
REPORT**

The President recommended:

RECOMMENDATION: That the Board accept the financial statements and amend the operating budget for the second quarter of the fiscal year that will end on June 30, 2001.

(Second Quarter Financial Report and additional background information attached to these minutes and marked VIII-A-8)

Mr. James Fluty, Director of Accounting and Budgetary Control, discussed the second quarter financial statements for the six months that ended on December 31, 2000. He stated that during this period the University operated with a surplus of revenues over expenditures and transfers in the amount of \$14,480,740. This level of operating surplus is expected since most of the billings for the Spring 2001 semester are reflected in the tuition and fees revenue, and expenditures are only reflected through December 31, 2000. Thus, as the year progresses, the variance between revenues and expenditures will decrease and will reflect a more appropriate operating surplus or deficit.

Mr. Fluty noted the following significant trends and variances during the six months:

- ❑ Accounts receivable increased about \$9.3 million, which includes \$6.7 million from federal and state granting agencies, \$1.6 million in short-term capital projects, and \$1 million in student accounts receivable.
- ❑ Investment in capital assets increased about \$8.8 million since December 31, 1999, which includes \$6 million for the Breckinridge Hall renovation, \$1.9 million for phone switch and computers, and \$2.1 million for projects such as Jayne Stadium turf replacement, elevators, roof repairs, etc.
- ❑ Budgets for the major revenue categories of tuition and housing, which were based on enrollment and residence hall occupancy projections, were met.
- ❑ Expenditure trends appear to be proceeding according to the budget plan.

MOTION: Ms. Baird moved, seconded by Ms. Johnson, to approve the President's recommendation.

VOTE: The motion carried.

President Eaglin expressed his confidence in the University's fiscal management staff and assured the Board that situations that have occurred during the past year at other universities in Kentucky will not happen here.

PAC-17 & PAC-28

The President recommended:

RECOMMENDATION: That the Board amend PAC-17, Sabbatical Leave of Absence and PAC-28 Educational Leave of Absence.

(Proposed Amended Policies PAC-17 and PAC-28 and additional background information attached to these minutes and marked VIII-A-9)

Mr. Roger Barker, Director of Human Resources, stated that the Board is being asked to amend personnel policies PAC-17, Sabbatical Leave of Absence, and PAC-28, Educational Leaves of Absence, to bring these policies into compliance with the Kentucky Teachers' Retirement System's interpretation of the Kentucky Revised Statutes.

Mr. Caudill raised a question concerning the length of time the University could conceivably remain liable for payments since the policies did not include any definitive timeframe.

ASSISTANT VICE PRESIDENT FOR MARKETING	Mr. Kappes introduced Mr. Jeffrey Liles, who has been employed as Assistant Vice President for Marketing to assist with the University's marketing efforts.
LAKEWOOD TERRACE FAMILY HOUSING	Mr. Dailey reported on the status of the Lakewood Terrace Family Housing Project that was approved in November 1999. In February, the evaluation committee selected three design/build teams from the proposals submitted—Packs, Inc. of Morehead; CMW/Codell of Winchester; and Messer & Sons Construction Company of Cincinnati. These three will now prepare a design and bid to be submitted to the state for approval. Construction is to be completed within nine months after the contract is awarded.
ACQUISITION OF PROPERTY	Mr. Dailey reported on real property purchased on the east end of campus. The property, two lots that were acquired for \$60,000 in late January, is included in the 1997 Campus Master Plan.
PRIVATE GIVING REPORT	Dr. William Higginbotham, Special Assistant to the President and Chief Executive Officer of the Morehead State University Foundation, reported on private giving from July 1, 2000, through January 31, 2001. These gifts totaled \$969,044 and included monies for scholarships, endowments, gifts-in-kind, Eagle Athletic Fund, unrestricted, and colleges, departments and other units. With state matching funds, the total will be \$2,444,044.
ACQUISITION OF WHITES TRAILER PARK	<p>Mr. Dailey reported on the purchase of the White's Trailer Park property on the east end of campus for \$885,000. The transaction has been presented to the Capital Projects and Bond Oversight Committee for its approval on March 20. A \$95,000 down payment will be made upon approval from the state with the remaining \$790,000 to be paid by promissory notes over a seven-year period.</p> <p>MOTION: Ms. Mills moved, seconded by Ms. Johnson, to approve the purchase of the White's Trailer Park.</p> <p>VOTE: The motion carried.</p>
SPACE SCIENCE CENTER RELOCATION PHASE	Mr. Dailey reported on the relocation of the NASA satellite tracking station, currently located on Wallop's Island, Virginia, to the campus. Describing this project as a total University effort, Mr. Dailey stated that the University needed the Board's approval for a \$4.2 million capital project titled Space Science Center Relocation Phase to be included in the institution's 2000-2002 biennial budget request to the state. The relocation phase includes disassembly, transportation, upgrading, reassembly, and an access road for the antenna, as well as contingency and engineering fees. While capital projects are not authorized by the General Assembly as part of the regular budget act, a provision contained in the statutes will allow the University to

advance a project under certain conditions. One of those conditions is that at least 50 percent of the funding be from federal or private sources. This project meets that criterion since the University has received a \$2 million earmark in the 2000-2001 federal budget for this project. The project will be presented to the Council on Postsecondary Education on March 19 for approval and to the Capital Projects and Bonds Oversight Committee in April for its authorization.

MOTION: Ms. Lovely moved, seconded by Mr. Caudill, to approve the \$4.2 million capital project titled Space Science Center Relocation Phase.

VOTE: The motion carried.

REPORT ON UNIVERSITY ACTIVITIES

Dr. Eaglin reported on the University's Summit on High Risk Drinking Among College Students held in Frankfort on February 27 and the P-16 Conference held on campus on March 1. He also discussed the status of a building to house the Kentucky Center for Traditional Music (KCTM), which is a cooperative venture with the Rowan County Tourism Commission.

KTRS ISSUES

Related to earlier discussions on the Kentucky Teachers' Retirement System, Mr. Kappes noted that benefits to KTRS members have eroded in recent years in comparison with those available to members of the Kentucky Employees' Retirement System. It was suggested that President Eaglin initiate discussion about these issues with the four other regional university presidents whose institutions also are in KTRS.

AGREEMENT WITH SALATO

Mr. Kappes also reported on a five-year agreement the University has entered into with the Kentucky Fish and Wildlife Foundation for the sponsorship of the American Bald Eagle Exhibit at Salato Wildlife Education Center in Frankfort. In return for the payment of \$25,000 in annual installments of \$5,000, the University will be the exclusive sponsor of the American Bald Eagle exhibit and will be entitled to post appropriate signage at and near the exhibit, distribute appropriate print and electronic messages and have MSU branded merchandise available for purchase at the gift shop at the Education Center. At the end of the initial five-year sponsorship, MSU and the Kentucky Fish and Wildlife Foundation will negotiate a yearly maintenance fee to be paid by MSU to continue the sponsorship. Because more than 200,000 persons a year will view the exhibit, Mr. Kappes said that it is a great marketing opportunity. He credited Jon Woodall, the Board's legal counsel and also a member of the Kentucky Fish and Wildlife Foundation Board, for helping make this sponsorship possible.

**2001 GENERAL
ASSEMBLY
LEGISLATION**

Mr. Kappes briefed the Board on the following pieces of legislation in the 2001 General Assembly that could have an impact on MSU:

- ❑ **House Bill 236** – would allow the Board of Regents to move MSU employees from the University's self-insured, self-managed health insurance program into the state insurance program. At present, MSU's health policy is better than the state's. We are opposing the bill primarily because it might weaken our right to be self-insured. The bill currently is being held in the Senate Rules Committee.
- ❑ **House Bill 278** – would grant "high 3" retirement to KERS retirees, the only group in state government currently without the option of basing retirement benefits on average salary over three years instead of five.
- ❑ **House Bill 17** – would require the CPE to reallocate existing funds to make grants to institutions to support P-16 councils.
- ❑ **House Bill 217** – would weaken our historic sovereign immunity protection against civil lawsuits by allowing legal action against public agencies to the extent of maximum coverage under motor vehicle insurance.

**EXECUTIVE
SESSION**

Chair Jones opened the floor for a motion to go into executive session for the purpose of discussing specific personnel issues. Upon convening into open session, the Board will elect officers for the current year.

Dr. Rhodes moved, seconded by Ms. Lovely, to go into executive session at 11:25 a.m. The motion carried.

The Board reconvened in open session at 11:55 a.m.

**ELECTION OF
OFFICERS**

Chair Jones opened the floor for nominations for officers of the Board.

Ms. Baird nominated Mr. Hinkle to serve as Chair. Mr. Caudill moved, seconded by Mr. Umberger, that nominations cease. Mr. Hinkle was elected Chair by acclamation.

Ms. Lovely nominated Ms. Mills to serve as Vice Chair. Mr. Umberger moved, seconded by Mr. Caudill, that nominations cease. Ms. Mills was elected Vice Chair by acclamation.

Chair Jones moved, seconded by Ms. Baird, that Ms. Johnson be reelected Secretary. Ms. Johnson was reelected Secretary by acclamation.

Chair Jones appointed Mr. Dailey to serve as Treasurer.

ADJOURNMENT

The Board commended Mr. Jones on the strong leadership he has provided while serving as the chair of the Board from 1996 to 2001.

There being no further business to conduct, Ms. Mills moved, seconded by Mr. Caudill, to adjourn at 12:15 p.m. The motion carried.

Respectfully submitted,

A handwritten signature in cursive script that reads "Carol Johnson".

Carol Johnson, Secretary

RESOLUTION HONORING LOUIS M. JONES

**BOR IV
June 8, 2001**

WHEREAS, Mr. Louis M. (Sonny) Jones of Versailles, Kentucky, has served with distinction as a member of the Board of Regents of Morehead State University since 1992; and

WHEREAS, Mr. Jones provided strong leadership to the Board of Regents while serving as its chairperson from 1996 to 2001; and

WHEREAS, Mr. Jones' distinguished service on the Board of Regents consistently has reflected his high ethical standards and deep, personal commitment to academic excellence; and

WHEREAS, Mr. Jones' previously served the University with distinction as president of the Alumni Association and as a member of the Board of Trustees of the Morehead State University Foundation, Inc.,

THEREFORE, be it resolved by the Board of Regents of Morehead State University that Mr. Louis M. (Sonny) Jones be and hereby is commended for his nine years of honorable and outstanding service on the Board of Regents and that the University expresses its profound and sincere gratitude for his leadership and loyalty.

The Board extends its best wishes to Mr. Jones in his future endeavors.

Done this eighth day of June, 2001.

ATTEST:

Buckner Hinkle Jr., Chair

Carol Johnson, Secretary

Ronald G. Eaglin, President

RESOLUTION HONORING TERESA JOHNSON

**BOR IV
June 8, 2001**

WHEREAS, Ms. Teresa Johnson has served as the President of the Student Government Association and as the Student Member of the Board of Regents of Morehead State University for the 2000-2001 school year; and

WHEREAS, Ms. Johnson has demonstrated her leadership abilities through her service on various University committees and by articulating important issues and concerns affecting all students; and

WHEREAS, Ms. Johnson has served the University with distinction and has honorably performed her duties as prescribed by the Kentucky Revised Statutes and policies of the Board of Regents,

THEREFORE, BE IT RESOLVED by the Morehead State University Board of Regents that Ms. Teresa Johnson be and hereby is commended for the time, energy, and dedication given as the Student Member of the Board of Regents of Morehead State University.

The Board extends its best wishes to Ms. Johnson in her future endeavors.

Done this eighth day of June, 2001.

Buckner Hinkle Jr., Chair

ATTEST:

Carol Johnson, Secretary

Ronald G. Eaglin, President

2001 SPRING GRADUATES

**BOR (V-A-1)
June 8, 2001**

Recommendation:

That the awarding of degrees to all candidates who successfully completed all degree requirements as approved by the faculty of the University at the 2001 spring commencement on May 12, 2001, be ratified.

PROMOTION, 2001

BOR (V-A-2)
June 8, 2001

Background:

In accordance with personnel policies, faculty members and librarians desiring promotion are responsible for developing their portfolios for submission to their peers and administrative supervisors for analysis and review. Recommendations from these peer groups and administrators are forwarded to the Executive Vice President for Academic Affairs and Dean of Faculty. The President, based upon recommendations from the Executive Vice President for Academic Affairs and Dean of Faculty, submits his recommendations to the Board of Regents.

Recommendation:

That the Board of Regents approve the granting of promotions to the following with the issuance of their contracts for the 2001-02 year:

Professor

John Modaff, Speech

Associate Professor

Charles Mason, Geoscience

Librarian III

Gary Austin

Librarian II

Thomas Kmetz

EMERITUS STATUS, 2001

**BOR (V-A-3)
June 8, 2001**

Background:

In accordance with PAc-3, the faculty members listed below were recommended for emeritus status by their peers and immediate supervisors to the Executive Vice President for Academic Affairs and Dean of Faculty. The President, based upon recommendations from the Executive Vice President for Academic Affairs and Dean of Faculty, submits his recommendations to the Board of Regents.

Recommendation:

That the Board of Regents approve the granting of Emeritus Status to the following:

Laradean Brown, Assistant Professor of Health, Physical Education
and Recreation
David Cutts, Professor of Physics
R. Jay Flippin, Associate Professor of Music
Larry Netherton, Assistant Professor of Radio-TV
Barbara Niemeyer, Associate Professor of Education
Phyllis Oakes, Professor of Education
Jack Whidden, Professor of Physics
Betty Jean Wilson, Librarian IV
Thomas Yancy, Associate Professor of Radio-TV

EDUCATIONAL LEAVES, 2001-2002

**BOR (V-A-4)
June 8, 2001**

Background:

Faculty members desiring educational leaves submit their application to be evaluated by their departmental committee, department chair, college dean, and the Professional Development Committee. These committee evaluations are forwarded to the Executive Vice President for Academic Affairs and Dean of Faculty who recommends to the President for his recommendation to the Board of Regents.

Recommendation:

That the Board of Regents approve the granting of educational leaves to the following faculty members contingent upon funding being available within academic affairs.

Fall 2001

Marshia White-Lewis, Assistant Professor of Nursing
Mattie Burton, Assistant Professor of Nursing

**REVISE PERSONNEL POLICY
PAc-27, TENURE REVIEW**

**BOR (V-A-5)
June 8, 2001**

Background:

The criteria, procedures and conditions for the review of tenure-eligible faculty are governed and described by PAc-27. This policy was created in 1988 and was revised most recently in 1997. The Faculty Senate has studied the present policy for most of the 2000-01 academic year and has recommended several changes. The Deans' Council, the Executive Vice President for Academic Affairs and the President have reviewed the recommendations.

Analysis:

The major differences between the current and the revised policy are:

- Provision for IRAPP faculty. The university's program of distinction, Institute for Regional Analysis and Public Policy (IRAPP), has been added as an autonomous academic unit since the last revision of PAc-27. The revised policy provides for faculty to be tenured and promoted within IRAPP, consistent with faculty in other academic units.
- Provision for faculty appointment with tenure. The revised policy provides, and outlines the process, for faculty to be appointed with tenure. The current policy does not have such a provision.
- Clarification of Tenure Portfolio components. The revised policy provides clearer and more comprehensive distinction between the two major components of the Tenure Portfolio, the Portfolio Summary (extended curriculum vitae) and the Supporting Documents. It also provides a clearer explanation of the substance and format of each component.
- Clarification of tenure review in final year. The revised policy provides a step-by-step explanation of the review process during the final year of tenure review.

Since there are no changes in the tenure review process and no current tenure-track faculty will be affected by the proposed changes, the revised policy will apply to all current and future tenure-track faculty upon approval by the Board of Regents.

Recommendation:

That the Board of Regents approve the revisions to PAc-27, Tenure Review.

Policy: PAc-27
Tenure Review

Approval Date: 08/06/88
Revision Date: 06/13/97
Technical Change: 03/02/98

Revision Date:

PURPOSE:

To define the criteria, procedures, and conditions of the review of University faculty for the awarding of tenure.

**ACADEMIC
PRINCIPLES:**

I. GENERAL PRINCIPLES

Faculty members have an important responsibility in providing evaluations of peers in the tenure process. This responsibility involves the application of academic and professional judgments in a framework of shared authority among various levels of review and between faculty and academic administrators. Faculty, academic administrators, the President and the Board of Regents recognize the central authority of the Morehead State University Mission Statement as written by the Council on Post-Secondary Education. Tenure evaluations must be consistent with the responsibilities and general principles outlined in the Mission Statement.

All Standing I faculty in each department (read academic department and IRAPP) will set up acceptable standards for evaluating its tenurable faculty in the department Faculty Evaluation Plan. The appropriate college dean and University Tenure Committee must approve these tenure standards and subsequent revisions to ensure quality, equity, and fairness. Standing I faculty in IRAPP will follow a consistent model with standards being approved by the Dean of IRAPP and the University Tenure Committee. The Dean of IRAPP shall consult with each faculty member and shall determine a "home" department (other than IRAPP) for each faculty member.

The tenure procedures consist of peer and/or administrative judgment and review at the department, college and the University levels. These judgments and reviews regarding tenure must evaluate, certify and document that the performance level of a tenure-track faculty member is at or above the performance level commensurate with that of a tenurable faculty member in the candidate's department, college, and the university. At each level, the review process will reflect the competence and perspective of the reviewing body as well as the principles of the Mission Statement.

The college-level reviews by the Department Tenure Committee, the Department Chair, and the College Dean, will focus on the professional and scholarly judgments regarding the quality and quantity of the individual's academic work. The standards and criteria for evaluating the individual's academic work shall be consistent with and derived from the academic

department's Faculty Evaluation Plan, and the documentation of the individual's academic work shall be derived from a compilation of the annual department Performance Based Salary Increase (PBSI) portfolios which have been submitted and evaluated for the years being considered for tenure. However, performance-based salary increase (PBSI) and tenure evaluations are separate processes; and, consequently, meeting or exceeding PBSI criteria does not automatically ensure a favorable tenure decision. PBSI evaluations are based on annual performance whereas tenure evaluations are based on the cumulative performance of six years. As the University strives to recruit and maintain an outstanding faculty, meeting the minimal expectations of PBSI will not be sufficient for tenure. Performance Based Salary Increase merit share rankings (i.e. number of merit shares awarded) shall be excluded from the documentation.

The University-level Reviews by the University Tenure Committee, the Executive Vice President for Academic Affairs and Dean of Faculty (EVPAA), and the President will be guided by criteria established in the departmental Faculty Evaluation Plan. University-level reviews will also monitor general standards of quality, equity, and adequacy of the procedures used. University-level reviews by the Executive Vice President for Academic Affairs and the President will bring broader faculty and administrative judgments to bear including issues of propriety.

Each chair and departmental faculty will set up acceptable standards for evaluating its tenurable faculty in the department Faculty Evaluation Plan. The University Tenure Committee shall review, on an annual basis, these tenure standards and recommend acceptance or ask for revision to ensure University-wide tenure standards of equity and fairness. Departments shall develop these tenure standards which the college deans and University Tenure Committee shall approve before implementation.

The assistant professor who successfully gains tenure will be automatically promoted to the rank of Associate Professor without further review. Associate Professors who obtain tenure will have to petition separately for promotion to Professor. Therefore, tenure decisions must reflect satisfactory performance for promotion.

APPOINTMENT WITH TENURE FOR FACULTY AND ACADEMIC ADMINISTRATORS:

It may be necessary and in the best interest of the University to award tenure to a candidate with exceptional credentials, experience, and previously acquired tenure as a condition of employment. The following procedures shall be used in determining the awarding of such tenure. In no way is this procedure meant to replace the normal and customary policies and procedures for the awarding of tenure outlined below. This procedure ensures that candidates are subject to rigorous peer review, beginning at the departmental level, prior to being awarded tenure.

1. When a potential new faculty member or administrator who has never been employed as a faculty member of Morehead State University requests the awarding of tenure as a condition of employment, the candidate shall prepare a tenure portfolio that documents professional activities and accomplishments for the previous six (or more) years.
2. This tenure portfolio will be presented to the Department Tenure Committee for their review and evaluation. A simple majority affirmative vote by the Department Tenure Committee is necessary for the recommendation for tenure.
3. Upon receiving the tenure portfolio, the department chair will review the portfolio, along with the report from the Department Tenure Committee, and add a written statement supporting or rejecting the request for the immediate awarding of tenure.
4. Upon receiving the tenure portfolio, the College Dean will review the portfolio, along with the previous evaluation reports and shall add a written letter supporting or rejecting the request for the immediate awarding of tenure.
5. Upon receiving the portfolio, the University Tenure Committee will review the portfolio, along with the previous evaluation reports and shall evaluate and vote on the request. Written rationale shall be included with the portfolio expressing both majority and minority viewpoints and the numerical score of the vote. The portfolio is then sent to the Executive Vice President for Academic Affairs, who will process the request for the immediate awarding of tenure following normal tenure procedures.
6. It will be the responsibility of the Executive Vice President for Academic Affairs to return the portfolio to the candidate after it has been reviewed by the University Tenure Committee and the EVPAA.

APPOINTMENT WITH TENURE FOR ACADEMIC ADMINISTRATORS:

The appointment of certain academic administrators, namely the Executive Vice President for Academic Affairs and Dean of Faculty, College and Academic Deans, and Department Chairs may be made with a recommendation to the Board of Regents for tenure if the following procedures are followed:

1. The position's search committee must recommend the potential appointee for tenure and forward its recommendation with the potential appointee's credentials through the Executive Vice President for Academic Affairs' office to the University Tenure Committee for its review and recommendation.
2. The University Tenure Committee, in a timely manner, will forward its recommendation and the potential appointee's credentials to the Executive Vice President for Academic Affairs and Dean of Faculty.

3. When considering an appointment with tenure for a College Dean, the Executive Vice President for Academic Affairs and Dean of Faculty will solicit a recommendation from the appropriate department.
4. When considering an appointment with tenure for a Department Chair, the Executive Vice President for Academic Affairs and Dean of Faculty will solicit a recommendation from the appropriate College Dean and department.
5. The Executive Vice President for Academic Affairs and Dean of Faculty will forward recommendations for these appointments with tenure to the President.
6. The President will present them to the Board of Regents for approval.

These types of appointments are not applicable for the chairperson of the Department of Military Science. Furthermore, successful attainment of tenure in these appointments will **not** result in automatic promotion to the next higher rank.

**CHANGING NEEDS
AND PRIORITIES:**

Although the tenure process is geared, narrowly and properly, to evaluating individual performance, the changing needs and priorities of the institution may also affect the decision to grant tenure. Both equity and the long-range interests of the institution, however, require directing primary attention to University needs and priorities at the time of initial appointment to a tenure-track position.

TENURE DEFINED:

Tenure is a system by which competent, productive faculty members who meet specified criteria are informed that they have successfully completed their probationary period and are recognized as continuing members of the faculty free to pursue their academic interests and responsibilities with the confident knowledge that termination of their appointment can be only for cause as outlined in the appropriate Personnel Policies.

An important part of the whole tenure process for faculty members is that all parties to the process share common expectations and understandings. The review process for tenure is concerned with the academic and professional merits and propriety of candidates, judged in reference to all alternative candidates, including prospective faculty members. Tenure standards, therefore, cannot be fixed and absolute but will reflect to some extent the varying competitive positions of the University in attracting faculty.

II. GENERAL CRITERIA FOR TENURE

Tenure shall be based on the potential for future advancement in each of the three areas listed below. Tenure candidates who have attained ranks at or above the Associate Professor rank will be expected to have performed at levels commensurate with their rank.

Accomplishments in each of the three areas listed below must be recognized and evaluated by the Department Tenure Committee, the Department Chair, the College Dean, the University Tenure Committee, the Executive Vice President for Academic Affairs and Dean of Faculty, and the President. Evaluations will be guided by the departmental FEP.

1. Teaching: Teaching excellence as recognized by colleagues, department chairs, and deans and as assessed by students. Other evidence may include, but not be limited to, the following: student contact activities (advisement, supervision of internships and theses); development of new courses, programs, or innovative instructional techniques; teaching awards and honors.
2. Professional achievement: Documentation of professional achievement may include, but not be limited to, the following: research, scholarly or creative achievements; leadership roles in professional organizations; participation in professional meetings, seminars and workshops; additional graduate study in the teaching field beyond the minimum required for meeting tenure standards or contract stipulations; work experience; and/or consulting.
3. Professional Service: Service to the institution and the community is recognized, evaluated and expected of the faculty member when such service is rendered in a professional capacity as a faculty member of the University. Service may include, but not be limited to, the following: active participation on University, college, department, and/or Faculty Senate ad hoc and standing committees; service as an official representative of the University; sponsorship of approved co-curricular activities; coordination of and participation in University workshops, conferences, clinics, inservice presentations, and special events; development of proposals; development of functioning relationships with professional groups in business, industry, trade, education, and government; and public schools; performance of public service within the faculty's field of expertise.

III. GENERAL STATEMENTS REGARDING TENURE

PROVISIONS FOR BEING GRANTED ACADEMIC TENURE

Provisions for holding academic tenure apply to all faculty members of Morehead State University holding full-time, regular Standing I Appointments to the rank of Professor, Associate Professor, and Assistant Professor. Academic tenure is granted only in an academic program area.

PROBATIONARY PERIOD FOR TENURE-TRACK FACULTY

The probationary period for tenure review at the University is six years. Time while on leave without pay shall be determined according to PG-9. However under exceptional circumstances, up to three years of equivalent academic service at other accredited institutions of higher education may

be applied toward this six-year probationary period ~~upon~~ within the first year following appointment to Morehead State University. Credit for equivalent professional service will be recommended to the Executive Vice President for Academic Affairs and Dean of Faculty by the Departmental Search Tenure Committee, Department Chair, and College Dean University Tenure Committee in accordance with the criteria established for tenure. A statement documenting the number of years granted for equivalent academic service shall be included in the Tenure Portfolio which is submitted to the University Tenure Committee.

A faculty member who holds tenure-eligible rank must be reviewed for the awarding of tenure no later than the sixth year of probationary status. To be tenured, a faculty member must make application for tenure through the appropriate tenure review structure, be recommended for tenure by the President of the University, and be approved by the Board of Regents for tenure.

Unsuccessful tenure candidates will receive a fixed-term terminal contract for their seventh year.

NOTIFICATION ABOUT PROBATIONARY PERIOD FOR NEW FACULTY:

Each newly hired faculty member shall be given a Contract for Services on which the amount of probationary credit is stipulated. Candidates for tenure with reduced probationary periods for tenure shall include a copy of this contract documenting the number of years of previous service credit in their Tenure Portfolio.

A faculty member hired from another institution and granted a reduced probationary period upon appointment may request part or all of that time to be rescinded if he/she needs more time to develop credentials for tenure. However, such requests may not be made after the tenure review process has started in the sixth probationary year.

COMPUTING A YEAR OF CREDIT TOWARD TENURE:

In order to facilitate the administration of tenure review procedures, there shall be a common tenure anniversary date of July 1. This tenure anniversary date does not necessarily coincide with the faculty member's date of initial appointment. A year of credit toward tenure is earned in any year in which the tenure-eligible faculty member has full-time active employment status of no less than half of the July 1 through June 30 year (one semester if he/she normally is appointed for two semesters).

Since the purpose of the probationary period is to provide opportunity for observing the faculty member, time spent on a leave of absence will not be counted as active employment, except as specified in PG-9 or PAc-28.

NOTICE OF NON-REAPPOINTMENT

AND TERMINATION:

Standards for notice of non-reappointment for tenure-eligible positions are as follows:

1. Dates
 - a. Not later than March 1 of the first academic year of service.
 - b. Not later than December 15 of the second academic year of service.
 - c. After two or more years of service in the University, twelve months.
2. The President notifies the ~~each~~ faculty member ~~to be non-reappointed who will not be re-appointed~~ after consultation with the appropriate Academic Administrators.

Probationary faculty members whose appointments are not being renewed will receive a written statement regarding the notice of non-reappointment from the President. All faculty members have the right to appeal the non-renewal notice within 30 calendar days to the Faculty Rights and Responsibilities Committee as provided by PAC 18.

TENURE PORTFOLIO:

The Tenure Portfolio must contain a letter of intent, portfolio summary extended curriculum vitae, curriculum vita, and supporting documents. The format for the presentation of tenure material will be determined by the University Tenure Committee. The letter of intent, addressed to the Department Chair, will state the desire to be considered for tenure and shall contain a summary of major responsibilities and activities during the probationary appointment period. Documentation of the candidate's periodic Performance Review may also be included in the portfolio. If a faculty member applies previous service ~~at another institution~~ to the probationary period, the previous service must be documented with respect to teaching excellence, professional achievement and service to that institution and community. The candidate's portfolio must document all qualifications, and it must be complete at the time of submission.

PORTFOLIO SUMMARY: CURRICULUM VITAE:

~~The following are guidelines for constructing the curriculum vita organizing the portfolio. Candidates should respond to or supply evidence for all categories that apply. All categories will may not apply to each candidate.~~ Whenever appropriate specific titles, dates, pages, and publishers should be included. ~~A reasonable sample of items under numbers 3 and 4 should be presented.~~

1. Personal Data
 - a. Name
 - b. Present rank, administrative title (if applicable), and department
 - c. Dates of initial rank assignment and promotions at Morehead State University
 - d. Field or fields of specialization
 - e. Education completed: degrees, certifications, and/or licenses with institutions and dates awarded or granted

- f. Teaching prior to Morehead State University or related work experience prior to Morehead State University
 - (1) Institutions
 - (2) Dates
 - (3) Responsibilities
 - (4) Rank changes and dates
 - g. Memberships in academic honor organizations
2. Teaching -- Note whenever reassigned time was given.
- a. Teaching load each semester
 - (1) Numbers and titles of courses taught
 - (2) Credit hours/workload
 - b. ~~Teaching/Course materials~~
 - (1) ~~Examples of course syllabi~~
 - (2) ~~Examples of exams, assignments, and/or other assessment materials~~
 - (3) ~~Evidence of feedback to students on course assessment materials~~
 - b. ~~Teaching evaluations summary~~
 - (1) ~~Student (e.g., IDEA, nationally normed or university-accepted, supplemental, etc.)~~
 - (2) ~~Peer and/or Chair~~
 - (3) ~~Advising~~
 - bc. Student contact activities
 - (1) Number of advisees: graduate, undergraduate
 - (2) Supervisor of internships
 - (3) Direction of theses and service on theses committees
 - (4) Direction of independent studies
 - (5) Service on oral examination committees
 - (6) Other
 - ed. New courses and programs developed
 - de. Innovative instructional techniques developed
 - ef. Teaching awards and honors
 - fg. Other evidence of effective teaching
3. Professional Achievement
- a. Scholarship
 - (1) List of published articles
 - (2) List of published books
 - (3) List of published reviews
 - (4) ~~Work in progress~~
 - (5) ~~(4) List of conference papers/posters/presentations read at conferences~~
 - (6) ~~(5) Editorship or service on editorial boards of Professional journals~~
 - (7) ~~(6) List of scholarly grants~~
 - (8) ~~(7) Sabbaticals~~
 - (9) ~~(8) Pure research completed~~
 - (10) ~~(9) Applied research completed~~

- (11) ~~(10)~~ Fellowships awarded
 - (12) ~~(11)~~ Awards for scholarship
 - b. Creative Productions - List of:
 - (1) Exhibits
 - (2) Musical compositions published
 - (3) Poems, plays, stories, novels published
 - (4) Work in progress
 - (5) ~~(4)~~ Artistic performances
 - (6) ~~(5)~~ Speaking engagements
 - (7) ~~(6)~~ Inventions
 - (8) ~~(7)~~ Awards for creative productions
 - c. Academic organizations
 - (1) Memberships
 - (2) Leadership roles
 - (3) Participation at conferences
 - (4) Awards for professional service.
 - d. Continuing education
 - (1) Seminars attended and form of participation
 - (2) Workshops attended and form of participation
 - (3) Graduate study
 - (a) Institution
 - (b) Degree being pursued and anticipated date of completion
 - (c) Credit hours completed
 - e. Relevant work experience and consulting
 - (1) Institution/agency
 - (2) Responsibilities
 - (3) Dates
 - f. Other evidence of professional growth
4. Service
- a. List of University, college, department, and Faculty Senate ad hoc and standing committees with level indicated in each case
 - b. Sponsorship or advisor of University-approved extracurricular activities
 - c. Service as official representative of the University
 - (1) Place
 - (2) Responsibility
 - (3) Date
 - d. Coordination of and participation in Morehead State University workshops, conferences, clinics, inservice, and special events
 - (1) Title
 - (2) Form of participation
 - (3) Date
 - e. Development of proposals to benefit the University
 - (1) Title of proposal
 - (2) Date submitted
 - (3) Accepted or rejected

- f. Development of relations with professional groups (business, industry, trade, education, and government)
- g. Honors and awards for service
- h. Other service as a University representative

**SUPPORTING
DOCUMENTS:**

The supporting documents should be arranged in the following categories:

1. Documents which support personal data (for example);
 - a. ~~Copies of official transcripts.~~
 - b.a. Copies of official letters of promotion at other institutions
2. Documents which support effectiveness of teaching (for example)
 - a. ~~Course syllabi~~
 - b. ~~Course assessment materials (exams, assignments, evidence of feedback to students, etc.)~~
 - ac. ~~Copies of results of teacher ratings (e.g., IDEA, student, peer and/or chair, advising)~~
 - bd. Copies of descriptions of innovative instructional techniques
 - ce. Copies of teaching awards and honors
 - df. Letters reflecting teaching competence
3. Documents which support evidence of professional growth (for example)
 - a. Copies of published articles, books, reviews
 - b. ~~Copies or evidence of work in progress~~
 - c. ~~b. Copies of conference papers/posters/abstracts read at conferences~~
 - d. ~~e. Copies of relevant pages in conferences programs~~
 - ee. Copies, slides, tapes of, or patents for creative productions
 - df. Evidence of roles in academic organizations
 - eg. Evidence of continuing education including transcripts of graduate work
 - fh. Programs identifying speaking engagements
4. Documents which support service (for example)
 - a. Copies of proposals to benefit the University
 - b. Copies of honors or awards for service
5. The department's Faculty Evaluation Plan(s) for the years being evaluated; and
6. ~~In addition, the Tenure Portfolio, a cumulative record of the probationary period, will consist of~~ must include:
 - a. the annual written evaluations of the Department Tenure Committee;
 - b. the annual written evaluations of the Department Chair;
 - c. the annual written evaluations of the College Dean; and
 - d. the annual responses, if any, from the candidate to these evaluations.

It is the responsibility of the candidates to keep and maintain their Tenure Portfolios.

IV. GENERAL PROCEDURES FOR TENURE REVIEW

1. No candidate for tenure, candidate's spouse, immediate family (as defined by PG-22), Department Chairs, or Deans will serve on tenure committees.
2. A faculty member may serve on the Tenure committee at either the department level or the University level, but not both during the same academic year, except in the case of department-level annual review. No faculty member will serve on more than one tenure committee. However, a tenured IRAPP faculty member may serve on tenure committees at the department level and for IRAPP faculty during the same year.
3. The chairperson of each tenure committee will be elected by the committee from the membership.
4. No member of the Faculty Rights and Responsibilities Committee shall serve concurrently on the University Promotion or University Tenure Committee.
5. All voting on candidates will be by secret ballot. Recommendation for tenure requires an affirmative vote by the majority of the committee membership voting. There shall be no abstentions in the voting process. In all committee recommendations the number of "yes" votes and the number of "no" votes must be recorded. At all levels, the written evaluation must include the strengths and evaluated weaknesses of the candidate's portfolio. If the vote for tenure is split, minority opinions must be included in the written evaluation.
6. Tenure committees' deliberations must be treated confidentially and must not be discussed outside of tenure committees' meetings.
7. All prospective candidates for tenure review are required to attend an orientation workshop sponsored and presented by the Executive Vice President for Academic Affairs and Dean of Faculty and the previous year's chair of the University Tenure Committee at a time and place set by the Office of the Executive Vice President for Academic Affairs.

V. THE DEPARTMENT TENURE COMMITTEE

1. The Department Tenure Committee shall will consist of all eligible tenured faculty members in the department, and all tenured faculty are expected to participate in the tenure review process, except in extraordinary circumstances or in the case of conflict of interest. However, the minimum number to serve on the Department Tenure

~~Committee is five faculty members.~~ In the event that there are fewer than five eligible members in the department, the department tenured faculty shall collectively invite enough full-time tenured faculty members from the same college to form a five-member committee.

The Tenure Committee in IRAPP shall consist of all tenured IRAPP faculty. For all tenure-track candidates, tenured faculty members from the candidate's home department will select two tenured faculty from the candidate's home department to serve on the IRAPP Tenure Committee. Should this strategy fail to produce a committee of five, the tenured faculty members in IRAPP shall collectively invite enough full-time tenured faculty members from IRAPP faculty affiliates to form the committee.

VI. ANNUAL REVIEW OF PROBATIONARY FACULTY (PRIOR TO FINAL REVIEW FOR TENURE)

- ~~21.~~ The Department Tenure Committee will meet annually to review and evaluate the tenure-track candidate's Tenure Portfolio. This portfolio will normally consist of a compilation of the Performance Based Salary Increase documents for each year of the candidate's probationary period, plus any additional information and/or documentation that the candidate might wish to include.
- ~~32.~~ The Department Tenure Committee will annually review the portfolio and submit a written evaluation of the strengths and evaluated weaknesses of the portfolio ~~to the candidate~~ using the Department's Faculty Evaluation Plan as the criteria for evaluation. ~~The written evaluation, which shall be signed by all committee members, shall document the validity of the information contained in the candidate's department tenure portfolio as it relates to the Department's Faculty Evaluation Plan, with a copy of this evaluation delivered to the candidate.~~ As part of this evaluation, the Department Tenure Committee shall also recommend, in the form of a vote by secret ballot, whether the candidate's contract should be renewed. Abstentions are not allowed. A sealed ballot by an absent faculty member may be included in the tally if all ballots are opened and counted at the same time during the Department Tenure Committee meeting. The committee's report shall show the vote tally and shall be signed by all committee members. This report shall also document the validity of the information contained in the candidate's departmental tenure portfolio. A copy of this report shall be delivered to the candidate

The primary purpose of this evaluation is to evaluate and certify the items and statements contained in the candidate's annual Tenure Portfolio, and to ensure that the performance level of a tenure-track faculty member is at or above the performance level commensurate

with that of a tenurable faculty member in that department, as based on the criteria established by the Department's Faculty Evaluation Plan.

The Department Tenure Committee may also request additional documentation of items and statements made in the candidate's Tenure Portfolio from the tenure-track candidate. Any additional This documentation and/or supporting evidence will be forwarded with the candidate's portfolio remain in the Department and may not be sent further up the chain of review.

43. The Department Tenure Committee will then forward the annual Tenure Portfolio to the Department Chair, who will add his/her written evaluation of the Tenure Portfolio to the portfolio, with a copy of this evaluation delivered to the tenure-track candidate. In the case of IRAPP faculty, the department chair in the faculty member's home department shall evaluate the portfolio.

It is also the responsibility of the Department Chair to evaluate and certify that the supporting documentation is at or above the performance level commensurate with that of a tenurable faculty member in that academic department. This evaluation and certification must be part of the Chair's letter of evaluation. It is also the responsibility of the Department Chair to certify that academic requirements, such as terminal degrees, years of teaching/previous service, etc. have been met for the department.

54. Annually the College Dean will review the Tenure Portfolios and offer a written evaluation of the portfolio, with a copy of this evaluation delivered to the candidate. In the case of IRAPP faculty, the Dean of IRAPP shall evaluate the portfolio. The College Dean will also forward a final recommendation after receiving the Tenure Portfolio from the Department Chair for submission to the Office of the Executive Vice-President of Academic Affairs and Dean of Faculty.

65. The Executive Vice President for Academic Affairs and Dean of Faculty will review all materials, written evaluations, and recommendations and make a recommendation regarding annual renewal of a probationary faculty's contract to the President. In the case of a negative evaluation, the EVPAA shall provide justification for the non-renewal. A copy of the EVPAA's recommendation to the President should also be sent to the faculty member.

6. At every level, the candidate will receive a copy of his/her evaluation at the same time as it is sent to the subsequent level, and the candidate will have the opportunity within five working days to write a clarification/rebuttal to the evaluation.

VII. TENURE REVIEW (FINAL YEAR)

1. The Department Tenure Committee will meet to review and evaluate the tenure-track candidate's Tenure Portfolio. The Department Tenure Committee will review the portfolio and submit a written evaluation of the strengths and evaluated weaknesses of the portfolio to the candidate using the Department's Faculty Evaluation Plan as the criteria for evaluation. In the case of IRAPP faculty, IRAPP faculty (as described above) shall evaluate the portfolio. This portfolio will normally consist of the Performance Based Salary Increase documents for each year of the candidate's probationary period, plus any additional information and/or documentation that the candidate might wish to include documentation as suggested by the Portfolio Summary guidelines and may also include the PBSI documents for each year of the candidate's probationary period.

In the sixth year of the candidate's probationary period, it is the responsibility of the Department Tenure Committee to furnish written evaluation of the strengths and evaluated weaknesses of the portfolio, along with a vote which affirms or denies their support of the Tenure Portfolio, with a copy of this evaluation and vote tally delivered to the candidate. The committee's evaluation and vote tally shall be signed by all committee members. Voting shall be by secret ballot, and a sealed ballot by an absent faculty member may be included in the tally if all of the ballots are opened and counted at the same time at the Department Tenure Committee meeting. Abstentions are not allowed at either the Department Tenure Committee or University Tenure Committee levels of review.

The Department Tenure Committee may also request additional documentation of items and statements made in the candidate's Tenure Portfolio from the tenure-track candidate. Any additional documentation and/or supporting evidence will be forwarded with the candidate's portfolio up the chain of review.

2. The Department Tenure Committee will then forward the Tenure Portfolio, written evaluation, and vote tally to the Department Chair, who will add his/her written evaluation and tenure decision to the Tenure Portfolio, with a copy of this evaluation and decision delivered to the tenure-track candidate. In the case of IRAPP faculty, the department chair in the faculty member's home department shall evaluate the portfolio.

It is also the responsibility of the Department Chair to certify that academic requirements, such as terminal degrees, years of teaching/previous service, etc. have been met for the department.

3. The Department Chair will then forward the Tenure Portfolio, written evaluations, and vote tallies to the College Dean, who will add his/her

written evaluation and tenure decision to the Tenure Portfolio, with a copy of this evaluation and decision delivered to the tenure-track candidate. In the case of IRAPP faculty, the Dean of IRAPP shall evaluate the portfolio. The College Dean will then forward Tenure Portfolio, all written evaluations, and vote tallies to the University Tenure Committee in the Office of the Executive Vice-President of Academic Affairs and Dean of Faculty.

4. The University Tenure Committee will review the Tenure Portfolio, all written evaluations, and vote tallies and provide a written evaluation and vote tally. The University Tenure Committee's written evaluation and vote tally will be delivered to the tenure-track candidate by a member of the University Tenure Committee. The University Tenure Committee will then forward the Tenure Portfolio, all written evaluations, and vote tallies to the Executive Vice-President of Academic Affairs and Dean of Faculty.

5. The Executive Vice President for Academic Affairs and Dean of Faculty will review all materials, vote tallies, written evaluations, and recommendations and make a recommendation to the President. Should the recommendation of the Executive Vice President for Academic Affairs differ from the recommendation of the University Tenure Committee, the Executive Vice President for Academic Affairs will consult with the University Tenure Committee prior to making a recommendation to the President. The President will make the final recommendation to the Board of Regents.

6. At every level, the candidate will receive a copy of his/her evaluation at the same time as it is sent to the subsequent level, and the candidate will have the opportunity within five working days to write a clarification/rebuttal to the evaluation.

7. The President will inform each candidate of his or her recommendation at least two weeks prior to the Board of Regents meeting.

VIII. ACADEMIC FREEDOM

Faculty and administration will observe the conditions on academic freedom and responsibility for teaching and research as outlined in PAC-14.

VIII IX. GENERAL DATES FOR TENURE REVIEW PROCESS

Specific dates and deadlines for the tenure review process in each year shall be set and distributed to the faculty in a timely manner by the Office of the Executive Vice President for Academic Affairs and Dean of Faculty.

TENURE

BOR (V-A-6)
June 8, 2001

Background:

Morehead State University's personnel policy, PAc-27, provides a procedure for employing academic administrators with tenure.

Based on his well-established record of administrative experience and leadership in Kentucky public education, the search committee for the Dean of the College of Education recommended Dr. Dan Branham for employment with tenure. The Department of Leadership and Secondary Education Tenure Committee and the Executive Vice President for Academic Affairs have supported this recommendation.

The search committee for the Chair of the Department of Physical Sciences recommended Dr. Antonino Carnevali for employment with tenure. Because of Dr. Carnevali's well-established track record of excellence in teaching, reputation in research activities, and scope of service activities, the University Tenure Committee, the College Dean, and the Executive Vice President for Academic Affairs have supported this recommendation.

Recommendation:

That the Board of Regents approve the granting of tenure to Dr. Dan Branham, professor of education and Dr. Antonino Carnevali, professor of physics.

**MASTER OF SCIENCE DEGREE
IN INDUSTRIAL TECHNOLOGY (MSIT)**

**BOR (V-A-7)
June 8, 2001**

Background:

The rapid advancement of technology makes it essential that industrial technologists are prepared to understand and use the most current tools and techniques required for productivity and success. Global competition and technological integration demands that industries, businesses and service organizations hire competent professionals capable of functioning in a complex and continuously changing environment. The development of such advanced skills necessitates an education that goes beyond a four-year college degree.

The Master of Science in Industrial Technology (MSIT) is designed primarily for persons holding a bachelor's degree in industrial technology, engineering, engineering technology, applied sciences, manufacturing engineering, mechanical design and related technical professional programs. Four population groups will benefit from this master's degree program:

1. Recent graduates of industrial technology, engineering technology and applied sciences who plan to receive a master's degree before joining the work force in order to secure a position with more responsibility and potential for growth.
2. Technical professionals employed in industry who need to upgrade their skills for the purpose of professional advancement.
3. Faculty members in two-year institutions who need to earn a master's degree to enhance their teaching competencies.
4. Technology Education teachers who need to earn a master's degree in a technical field to update their technical skills and to earn a rank advancement.

The MSIT is structured to prepare professionals with advanced technical skills enabling them to solve technological problems while managing personnel and facilities in industrial organizations. The curriculum of this program is designed to enable graduate students to develop an in-depth knowledge of the discipline, learn research tools and techniques, and acquire those technical-professional skills that are needed to function in contemporary industrial organizations.

Analysis:

A national survey of Industrial Technology (IT) alumni revealed that 70% of IT graduates are planning to earn a master's degree. According to the Bureau of Labor Statistics (BLS), industrial production managers held about 208,000 jobs in 1998. As production and industrial operations become more sophisticated, employers are looking for candidates who

have a master's degree and beyond. Employment prospects are good for highly skilled technical personnel.

Information obtained from regional industries and Industrial Technology graduates indicate that there is a need for technical-management professionals with a master's degree. In recent years, an increasing number of high-tech industries have established their operations in Eastern Kentucky and within Morehead State University's service region. This has created the need for technologically competent employees at the supervisory and technical management levels. This need is expected to increase due to Kentucky's emphasis on economic development. The local and state governments have been enhancing the infrastructure for attracting additional industries by developing several industrial parks that will serve all of the counties in our service region. Three are located in Rowan County alone.

The Kentucky Council on Postsecondary Education has approved the implementation of this program.

Recommendation:

That the Board of Regents approve the Master of Science in Industrial Technology.

RATIFY PERSONNEL ACTIONS

**BOR (V-A-8)
June 8, 2001**

Background:

The Personnel Action Request Report includes actions related to:

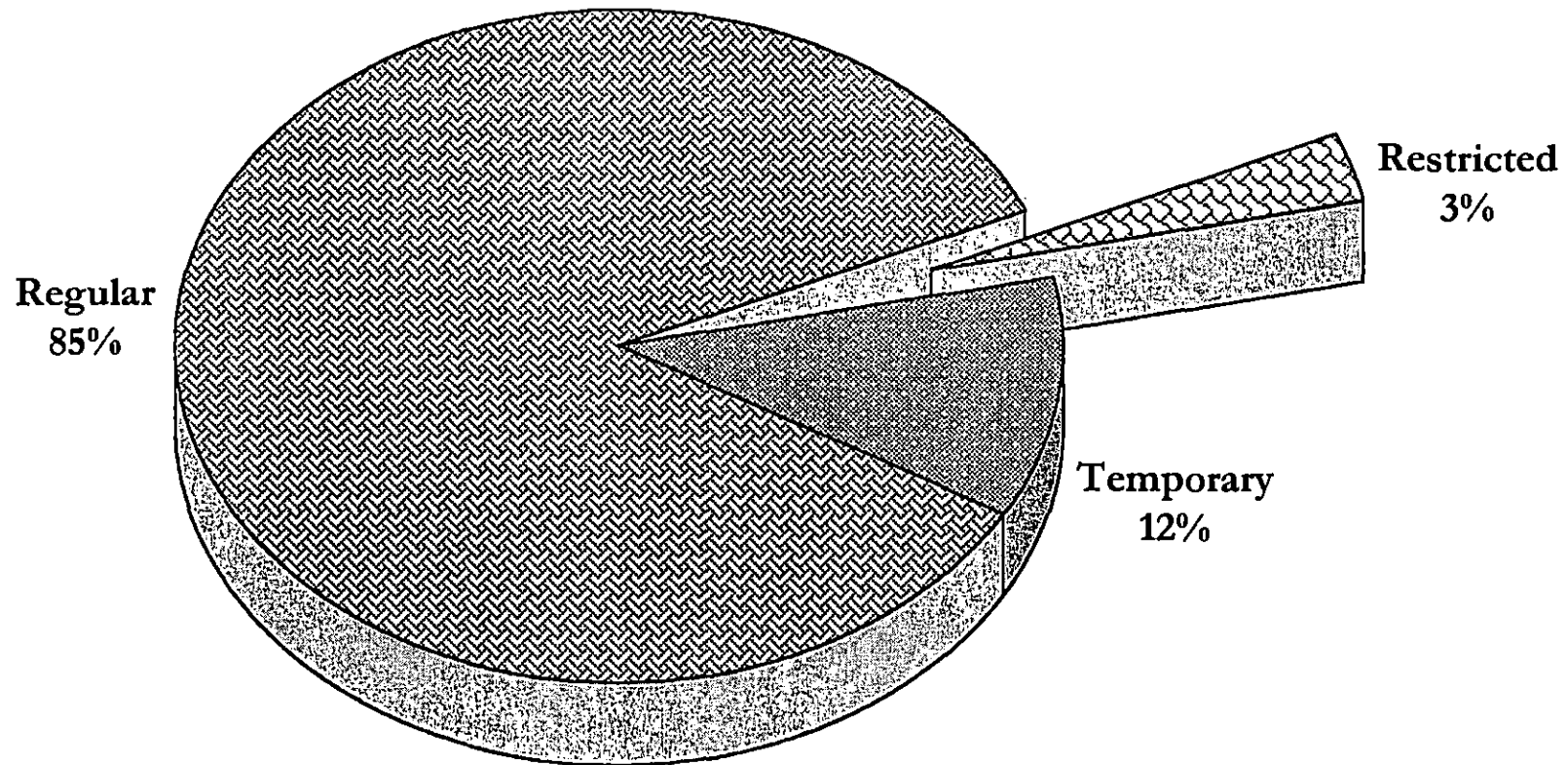
- 1) full-time and continuing part-time faculty, librarians and Executive, Administrative and Managerial employees, except supplemental actions (which had been reported in the Quarterly PAR Informational Report but discontinued at the Board of Regents meeting on September 17, 1999);
- 2) full-time and continuing part-time non-classified Executive, Administrative and Managerial and Professional Staff positions (including supplemental actions);
- 3) discipline;
- 4) leave of absences;
- 5) sabbaticals; and
- 6) retirements.

Recommendation:

That the Board ratify the Personnel Actions for the period February 12, 2001, through May 18, 2001.

PERSONNEL ACTION REQUEST

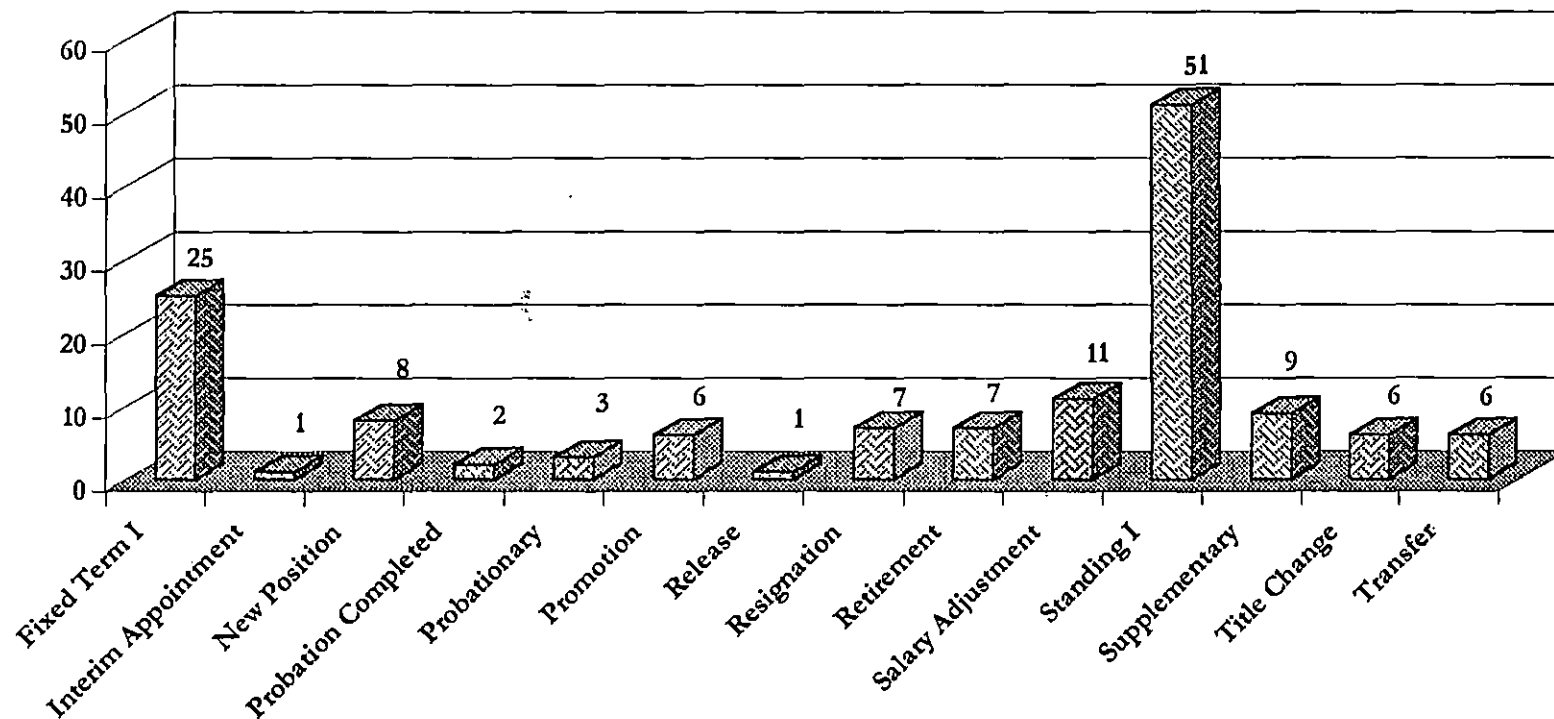
2/12/01 thru 5/18/01



Total Number of PARs = 121

PERSONNEL ACTIONS FOR COVERED ROSTER POSITIONS

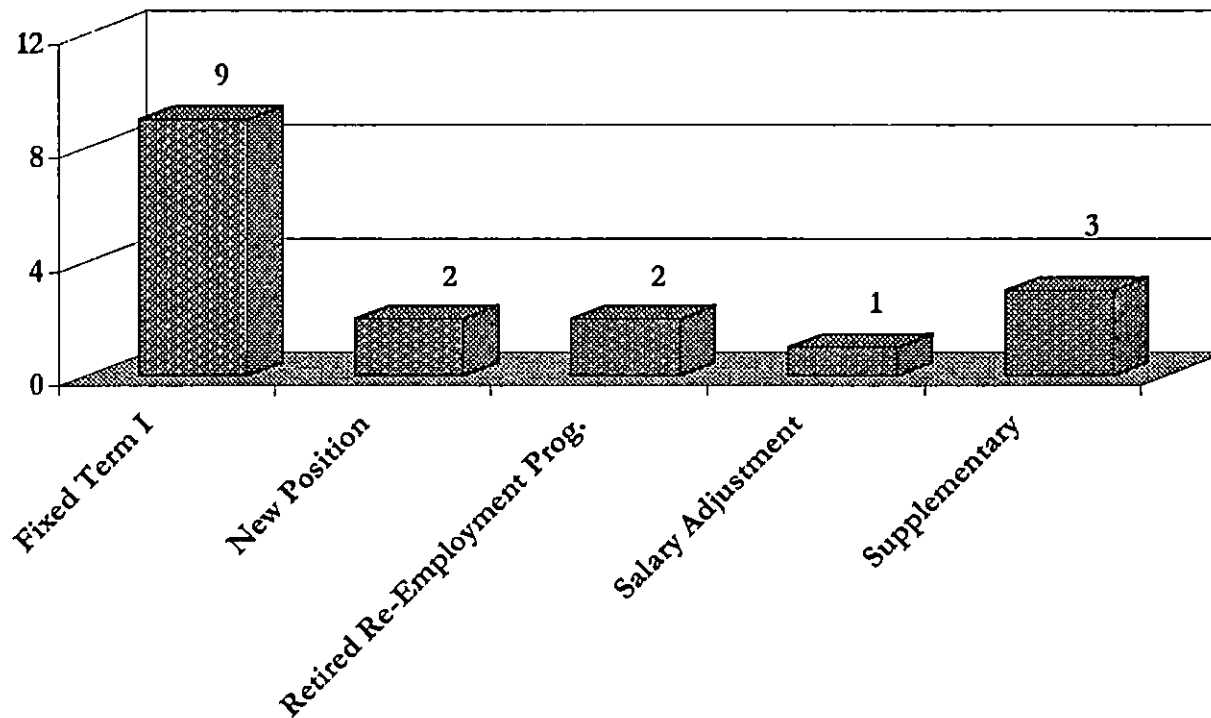
2/12/01 thru 5/18/01



Total Number of PARs = 103

Total Number of Actions = 143

**PERSONNEL ACTIONS FOR NON-ROSTERED
TEMPORARY APPOINTMENTS
2/12/01 thru 5/18/01**

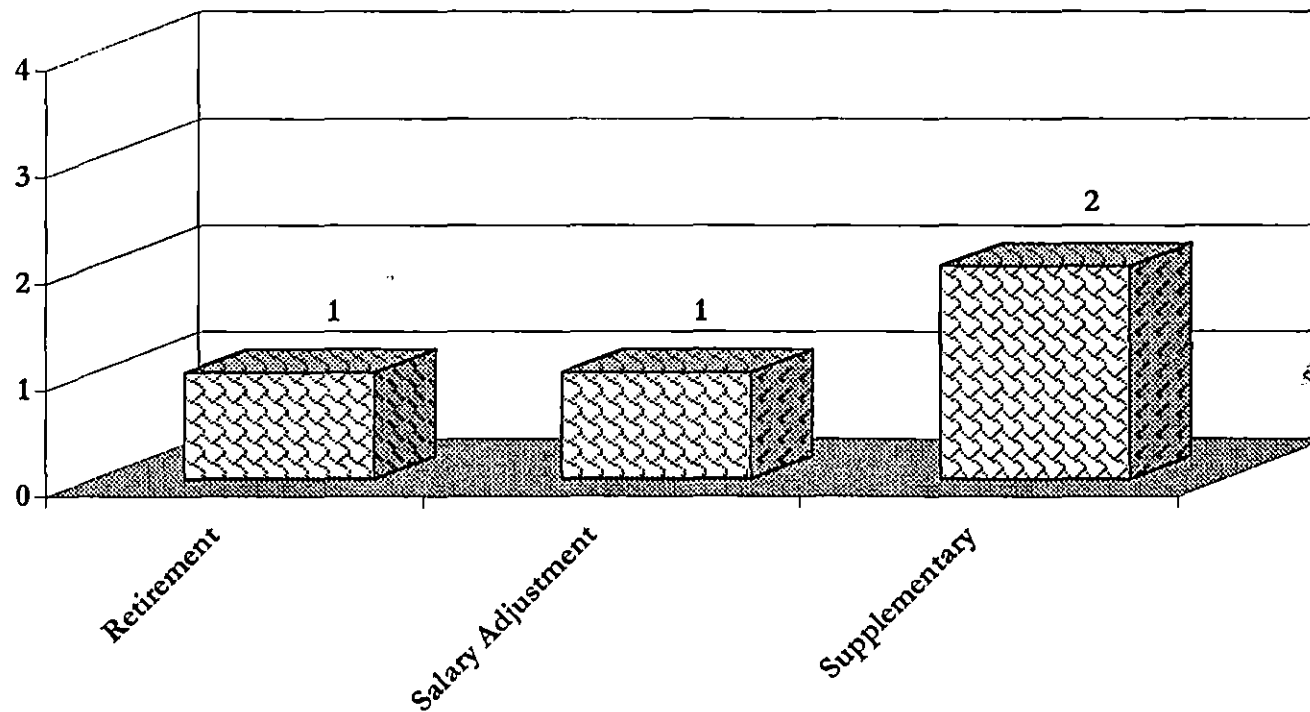


Total Number of PARs = 14

Total Number of Actions = 17

PERSONNEL ACTIONS FOR RESTRICTED APPOINTMENTS

2/12/01 thru 5/18/01



Total Number of PARs = 4

Total Number of Actions = 4

MOREHEAD STATE UNIVERSITY
STANDING I AND STANDING II POSITIONS SUMMARY
05/18/01

<u>DEPARTMENT NAME</u>	<u>July 1 Authorized Positions</u>	<u>Current Authorized Positions</u>	<u>+/- Position Adjustments</u>	<u>Current Position Strength</u>	<u>% Current Strength</u>
OFFICE OF THE PRESIDENT	17.25	19.00	1.75	16.00	84.21
DIVISION OF UNIVERSITY RELATIONS	25.50	25.00	-0.50	22.50	90.00
DIVISION OF ADMINISTRATION AND FISCAL SERVICES	110.00	111.50	1.50	105.00	94.17
PHYSICAL PLANT	153.70	157.70	4.00	149.70	94.93
DIVISION OF STUDENT LIFE	118.30	118.80	0.50	112.30	94.53
DIVISION OF ACADEMIC AFFAIRS	29.50	30.50	1.00	28.50	93.44
CAUDILL COLLEGE OF HUMANITIES	123.75	124.75	1.00	118.75	95.19
COLLEGE OF BUSINESS	51.50	54.50	3.00	44.50	81.65
COLLEGE OF EDUCATION & BEHAVIORAL SCIENCE	112.75	111.50	-1.25	96.50	86.55
COLLEGE OF SCIENCE AND TECHNOLOGY	137.60	137.60	0.00	126.60	92.01
INSTITUTE FOR REGIONAL ANALYSIS & PUBLIC POLICY	11.00	14.00	3.00	11.00	78.57
GRADUATE AND UNDERGRADUATE PROGRAMS	39.92	42.00	2.08	38.00	90.48
CAMDEN-CARROLL LIBRARY	39.50	38.50	-1.00	33.00	85.71
	970.27	985.35	15.08	902.35	91.58

NOTE: Positions are expressed in terms of full-time equivalency.

DEFINITIONS OF THE DIFFERENT KINDS OF APPOINTMENTS

- Standing I:** Appointment to a continuing full-time faculty, administrative or staff (exempt or non-exempt) position. *Regular status. No ending date. Appointment may be terminated, if for cause.
- Standing II:** Appointment to a continuing part-time faculty, administrative or staff (exempt or non-exempt) position. **Non-Regular status. No ending date. Appointment may be terminated, if for cause.
- Fixed Term I:** Appointment to a full-time faculty, administrative or staff (exempt or non-exempt) position for at least six calendar months but not to exceed one year. Non-faculty appointments may be renewed from year to year. Faculty appointments may be renewed from year to year but cannot exceed five academic years. *Regular status. Terminable on specified ending date of appointment, or earlier, if for cause.
- 48 **Fixed Term II:** Appointment to a full-time (up to six calendar months) or part-time (up to one year) faculty, administrative or staff exempt position. **Non-Regular status. Terminable on specified ending date of appointment, or earlier, if for cause.
- Supplementary:** Supplementary appointment to original employment agreement. For example, Summer I & II faculty appointments or 9 month appointment extended to 10, 11, or 12 month appointment. Also used for additional responsibilities as supplement to Standing or Fixed Term appointments. For example, an administrator teaching a class or compensation for over-the-road pay. Not to be used for regular overtime pay. A supplemental appointment does not change an employee's base pay or employment status.

* Regular status denotes an appointment of a faculty, administrative, or staff member to a full-time position, with benefits fully covered, that will exist for at least six calendar months.

** Non-Regular status denotes an appointment of a faculty, administrative, or staff member to a position that is less than full-time or is full-time for a period not to exceed six calendar months.

**THE FOLLOWING ARE TYPES OF APPOINTMENTS & PERSONNEL ACTIONS
REPORTED IN THE APPOINTMENT STATUS ACTIONS SECTION:**

EARLY RETIREMENT PROGRAM

RESIGNATION

FIXED TERM I

RETIREMENT

INTERIM APPOINTMENT

SALARY ADJUSTMENT

NEW POSITION

STANDING I

PROBATION COMPLETED

SUPPLEMENTARY

PROBATIONARY

TITLE CHANGE

PROMOTION

TRANSFER

RELEASE

Appointment Status Actions
02/12/2001 - 05/18/2001

Name
Title
Department
Roster ID

Position	Base Salary	Salary	Description	Effective Date	Fund Source
ADKINS, RONALD DALE Building Services Technician Building Services 773 \$9.08/hr.		\$9.08/hr.	Retirement	03/30/2001	
ALLISON, JOHN L. Instructor of English English, Foreign Lang. & Phil. 3211 \$23,429.00		\$23,780.00	Fixed Term I	08/13/2001 - 05/11/2002	Roster ID # 002996
ANDERSON, PAMELA Librarian I Camden Carroll Library 667 \$42,754.00		\$29,000.00	Standing I Probation Transfer Promotion Salary Adjustment Title Change (From Interlibrary Loan Assistant to Librarian I. From \$9.60/hr. to \$29,000. \$10,280 incr.)	05/14/2001	

Appointment Status Actions
02/12/2001 - 05/18/2001

Name
Title
Department
Roster ID

Position	Base Salary	Salary	Description	Effective Date	Fund Source
BANDY, KENNETH E. Asst. Prof. of IS/Bus. Educ. Information Systems 3108 \$51,949.00		\$51,949.00	Resignation	05/12/2001	
BARCUS, HOLLY R. Asst. Professor of Demography Inst. Region. Anal. Pub. Pol. 3320 \$37,500.00		\$37,500.00	Standing I New Position	08/13/2001	Opening Bud-Undist.
BARNETT, MYRON DAVID Assistant Professor of Education Leadership & Secondary Educ. 3306 \$28,000.00		\$50,000.00	Standing I New Position	01/09/2002	Roster ID # 002996
BARTON, BERNADETTE C. Instructor of Sociology Sociology, Soc. Work, Crim.		\$31,465.00	Fixed Term I	08/13/2001 - 05/11/2002	Roster ID # 002996

Appointment Status Actions
02/12/2001 - 05/18/2001

Name

Title

Department

Roster ID

Position Base Salary

Salary

Description

Effective Date

Fund Source

BARTON, KRISTA ANN
Instructor of Education
Elem. Read. & Spec. Education
3304
\$28,000.00

\$28,420.00

Fixed Term I

08/13/2001 - 05/11/2002

Roster ID # 002996

BERGLEE, ROYAL
Asst. Professor of Geography
Geog., Government & History
602
\$42,528.00

\$40,000.00

Standing I

08/13/2001

BEYER, VICTORIA M.
Instructor of English
English, Foreign Lang. & Phil.
1433
\$23,230.00

\$23,578.00

Fixed Term I

08/13/2001 - 05/11/2002

Roster ID # 002996

BIRRIEL, IGNACIO
Assistant Professor of Physics
Physical Sciences
585
\$31,170.00

\$44,000.00

Standing I

08/13/2001

Roster ID # 002996

Appointment Status Actions
02/12/2001 - 05/18/2001

Name
Title
Department
Roster ID

Position	Base Salary	Salary	Description	Effective Date	Fund Source
BIRRIEL, JENNIFER JEAN Assistant Professor of Physics Physical Sciences 587 \$64,553.00		\$44,000.00	Standing I	08/13/2001	
BRANHAM, DAN H. Dean, College of Education Off., Dean Coll. of Education 368 \$46,640.00		\$97,000.00	Standing I	07/01/2001	Roster ID # 002996
BREEDEN, WAYNE T. Assistant Basketball Coach Men's Basketball 2219 \$43,207.00		\$43,207.00/11 mo.	Fixed Term I	04/01/2001 - 03/31/2002	
BROMAGEN, CHARLOTTE MILLER Instructor of Education Elem. Read. & Spec. Education		\$28,000.00	Fixed Term I New Position	08/13/2001 - 05/13/2002	Unbudgeted Revenues

Appointment Status Actions
02/12/2001 - 05/18/2001

Name
Title
Department
Roster ID

Position	Base Salary	Salary	Description	Effective Date	Fund Source
BROWN, DAYNA S. Assoc. Prof. of HPER Health, P.E. & Recreation 429 \$43,427.00		\$5,099.00	Interim Appointment (Supersede previous PAR for Interim Dept. Chair. Changed ending date from 5/31/01 to 3/31/01)	10/02/2000 - 03/31/2001	Roster ID # 003102
BROWN, DAYNA S. Dept. Chair, HPER Health, P.E. & Recreation 3102 \$69,210.00		\$70,000.00	Standing I Promotion Salary Adjustment Title Change Transfer (From Assoc. Prof. HPER to Dept. Chair & Assoc. Prof. HPER. From \$43,427 to \$70,000. \$26,573 inc.)	04/01/2001	Roster ID # 002996
BROWN, DOUGLAS MARTIN Director of Public Safety Office of Public Safety 100 \$43,000.00		\$43,000.00	Probation Completed	01/27/2001	
BROWN, W. MICHAEL Assoc. Professor of HPER Health, P.E. & Recreation		\$28,514.00	Retired Re-Employment Prog.	08/13/2001 - 05/11/2002	Roster ID # 000429 Roster ID # 002996

Appointment Status Actions
02/12/2001 - 05/18/2001

Name
Title
Department
Roster ID

Position Base Salary	Salary	Description	Effective Date	Fund Source
CALTON, ROY Groundskeeper Landscaping & Grounds Maint. 737 \$9.95/hr.	\$9.95/hr.	Retirement	07/31/2001	
CARNEVALI, ANTONINO Dept. Chair, Physical Sciences Physical Sciences 596 \$74,073.00	\$80,000.00	Standing I	07/01/2001	Roster ID # 002996
CRANK, MARILYN P. Printer II Off. of Document Services 928 \$10.26/hr.	\$10.26/hr.	Retirement	03/31/2001	
DENNIS, JEFFREY WILLIAM Asst. Professor of History Geog., Government & History 607 \$34,077.00	\$35,700.00	Standing I	08/13/2001	Roster ID # 002996

5

Appointment Status Actions

02/12/2001 - 05/18/2001

Name

Title

Department

Roster ID

Position Base Salary

Salary

Description

Effective Date

Fund Source

DEVORE, NIKOLOS R.

Head Tennis Coach

Tennis

1207

\$26,004.00

\$28,739.00

(\$2,735.00 incr.)

Fixed Term I

Salary Adjustment

07/01/2001 - 06/30/2002

Opening Bud-Undist.

ENDER, BARBARA A.

Vice President for Development

Off., V.P., Dev. & Alum. Rel.

3328

\$98,000.00

\$98,000.00

Standing I

New Position

07/01/2001

Opening Bud-Undist.

ENGLE, F. BRUCE

Instructor of English

English, Foreign Lang. & Phil.

2639

\$25,250.00

\$25,629.00

Fixed Term I

08/13/2001 - 05/11/2002

Roster ID # 002996

FABER, LESLIE M.

Women's Head Soccer Coach

Women's Soccer

3194

\$26,732.00

\$29,000.00

(\$2,268.00 incr.)

Fixed Term I

Salary Adjustment

07/01/2001 - 06/30/2002

Opening Bud-Undist.

Appointment Status Actions
02/12/2001 - 05/18/2001

Name
Title
Department
Roster ID

Position Base Salary	Salary	Description	Effective Date	Fund Source
FANNIN, JEFFREY C. Asst. Prof. Radiologic Tech. Nur. & All. Hlth.-Rad. Tech 1065 \$41,246.00	\$40,000.00	Standing I	08/13/2001	
57 FAULKNER, CYNTHIA A. Asst. Prof. of Social Work Sociology, Soc. Work, Crim. 628 \$37,606.00	\$40,500.00	Standing I	08/13/2001	Roster ID # 002996
FAULKNER, SAMUEL S. Asst. Prof. of Social Work Sociology, Soc. Work, Crim. 2609 \$38,321.00	\$39,500.00	Standing I	08/13/2001	Roster ID # 002996
FENTON, M. DEAN Assistant Professor of CIS Information Systems 3147 \$59,079.00	\$59,079.00	Release	05/12/2001	

Appointment Status Actions
02/12/2001 - 05/18/2001

Name
Title
Department
Roster ID

Position	Base Salary	Salary	Description	Effective Date	Fund Source
FITZPATRICK, JANE VESCIO General Counsel Office of the President 3287 \$15,956.00		\$65,000.00	Standing I New Position	07/01/2001	Opening Bud-Undist.
FOX, AMY JO Medical Dept. Psychologist CDPCRC		\$48,667.00	Salary Adjustment (From \$47,250 to \$48,667. \$1,417 incr.)	04/01/2001 - 06/30/2001	Restricted
GAWNE, JULIE ANNE Assistant Professor of Art Art 3323 \$39,000.00		\$39,000.00	Standing I New Position	08/13/2001	Roster ID # 002996
GHIRMAY, TEAME Instructor of Economics Accounting, Economics & Finan. 3327 \$40,000.00		\$40,000.00	Fixed Term I New Position	08/13/2001 - 05/13/2002	Roster ID # 002996
GIBSON, JOHN C. Instructor of CIS Information Systems		\$30,450.00	Fixed Term I	08/13/2001 - 05/11/2002	Roster ID # 002996

Appointment Status Actions
02/12/2001 - 05/18/2001

Name
Title
Department
Roster ID

Position	Base Salary	Salary	Description	Effective Date	Fund Source
GRAVES, MARK ALAN Instructor of English English, Foreign Lang. & Phil. 3212 \$25,250.00		\$25,629.00	Fixed Term I	08/13/2001 - 05/11/2002	Roster ID # 002996
GRIGSBY, CORBETT Assoc. Women Basketball Coach Women's Basketball 3127 \$38,886.00		\$38,886.00/11 mo.	Fixed Term I	04/01/2001 - 03/31/2002	
GRIMES, CONNIE SUE Instructor of CIS Information Systems		\$31,893.00	Fixed Term I	08/13/2001 - 05/11/2002	Roster ID # 002996
HALEMAN, DIANA L. Instructor of Education Elem. Read. & Spec. Education 3236 \$35,700.00		\$40,000.00	Standing I	08/13/2001	Roster ID # 002996

Appointment Status Actions
02/12/2001 - 05/18/2001

Name

Title

Department

Roster ID

Position Base Salary

Salary

Description

Effective Date

Fund Source

HARDIN, WILLIAM R.
Director of Support Services
Office of Support Services
39
\$45,000.00

\$45,000.00

Probation Completed

02/12/2001

HARTLEY, SUZANNE
Asst. Professor of Geography
Geog., Government & History
605
\$37,738.00

\$37,738.00

Resignation

05/12/2001

HATFIELD, ROBERT DANIEL
Asst. Professor of Management
Management & Marketing
3134
\$63,745.00

\$77,028.00
(\$13,283.00 incr.)

Standing I
Transfer
Promotion
Salary Adjustment
Title Change
(From Asst. Prof., Mngt.
to Department Chair &
Assoc. Prof., Mngt.)

08/01/2001

Roster ID # 000324
Roster ID # 002996

HEBERT, DAVID JAY
Asst. Professor of Mathematics
Mathematics
574
\$37,000.00

\$41,000.00

Standing I

08/13/2001

Roster ID # 002996

Appointment Status Actions
02/12/2001 - 05/18/2001

Name
Title
Department
Roster ID

Position	Base Salary	Salary	Description	Effective Date	Fund Source
HINES, FLOYD J. Assistant Professor Education Leadership & Secondary Educ. 2484 \$21,929.00		\$50,000.00	Standing I	08/13/2001	Roster ID # 002996
HUNT, DARLA ANN Inst. of Information Systems Information Systems		\$31,267.00	Fixed Term I	08/13/2001 - 05/11/2002	Roster ID # 002996
HURT, WILLIE Building Services Technician Building Services 1358 \$7.86/hr.		\$7.86/hr.	Retirement	03/30/2001	
JARNAGIN, JOHN H. Head Baseball Coach Baseball 2826 \$39,728.00		\$41,617.00 (\$1,889.00 incr.)	Fixed Term I Salary Adjustment	07/01/2001 - 06/30/2002	Opening Bud-Undist.

Appointment Status Actions

02/12/2001 - 05/18/2001

Name

Title

Department

Roster ID

Position Base Salary

Salary

Description

Effective Date

Fund Source

JONES, PAMELA D.

\$66,000.00

Standing I

08/13/2001

Roster ID # 002996

Asst. Professor of Accounting
Accounting, Economics & Finan.
3239

\$61,308.00

KEARNS, GROVER S.

\$63,395.00

Resignation

05/12/2001

Assistant Professor of CIS
Information Systems
2816

\$63,395.00

KIDWELL, SHARI LYNN

\$39,000.00

Standing I

08/13/2001

Roster ID # 002996

Asst. Professor of Psychology
Psychology
3132

\$37,397.00

KIMBLER, ARNOLD LEE

\$24,155.00

Fixed Term I

08/13/2001 - 05/11/2002

Roster ID # 002996

Instructor of English
English, Foreign Lang. & Phil.
2881

\$23,798.00

Appointment Status Actions

02/12/2001 - 05/18/2001

Name

Title

Department

Roster ID

Position Base Salary

Salary

Description

Effective Date

Fund Source

KLECKER, BEVERLY MCCAULEY

\$40,000.00

Standing I

08/13/2001

Roster ID # 002996

Assistant Professor Education

Leadership & Secondary Educ.

400

\$34,019.00

KOZIELSKI, PAWEL J.

\$35,000.00

Standing I

08/13/2001

Roster ID # 002996

Assistant Professor of Art

Art

452

\$31,641.00

LANE, BRIAN DALE

\$25,004.00/11 mo.

Fixed Term I

04/01/2001 - 03/31/2002

Assistant Basketball Coach

Men's Basketball

2218

\$25,004.00

LANE, NANCY BAKER

\$30,000.00

Fixed Term I

08/13/2001 - 05/11/2002

Instructor of Biology

Biological & Environmental Sci.

3090

\$30,000.00

Appointment Status Actions

02/12/2001 - 05/18/2001

Name

Title

Department

Roster ID

Position Base Salary

Salary

Description

Effective Date

Fund Source

LEVIN, SARAH

\$38,000.00

Standing I

01/09/2002

Asst. Prof. Health Education

Health, P.E. & Recreation,

423

\$47,113.00

LITTER, LAURA LEE

\$55,153.00/11 mo.

Fixed Term I

04/01/2001 - 03/31/2003

Head Basketball Coach

Women's Basketball

651

\$55,153.00

LOGSDON, CHARLES WILLIAM

\$23,579.00

Fixed Term I

08/13/2001 - 05/11/2002

Roster ID # 002996

Instructor of English

English, Foreign Lang. & Phil.

506

\$23,230.00

LOMBARDO, EDITH ELIZABETH

\$43,000.00

Standing I

08/13/2001

Assoc. Professor of Education

Elem. Read. & Spec. Education

1253

\$48,416.00

Appointment Status Actions
02/12/2001 - 05/18/2001

Name
Title
Department
Roster ID

Position	Base Salary	Salary	Description	Effective Date	Fund Source
MACE, JENNINGS R. Assoc. Professor of English English, Foreign Lang. & Phil. 1345 \$43,467.00		\$43,467.00	Resignation	05/11/2001	
MANDRELL, ELIZABETH ELLEN Instructor of English English, Foreign Lang. & Phil. 3190 \$23,798.00		\$24,155.00	Fixed Term I	08/13/2001 - 05/11/2002	Roster ID # 002996
MANDZY, ADRIAN O. Visiting Assistant Professor Geog., Government & History 2869 \$36,289.00		\$35,700.00	Standing I	08/13/2001	
MARTIN, MAURICE W. Asst. Professor of HPER Health, P.E. & Recreation 2857 \$37,500.00		\$42,000.00	Standing I	08/13/2001	Roster ID # 002996

Appointment Status Actions

02/12/2001 - 05/18/2001

Name

Title

Department

Roster ID

Position Base Salary

Salary

Description

Effective Date

Fund Source

MASON, BRIAN SCOTT

\$29,435.00

Fixed Term I

08/13/2001 - 05/11/2002

Roster ID # 002996

Instructor of Music

Music

3302

\$29,000.00

MAY, RUSSELL JACK

\$40,000.00

Standing I

08/13/2001

Asst. Professor of Mathematics

Mathematics

578

\$45,112.00

MCCURRY, ANNA

\$40,000.00

Standing I

01/09/2002

Roster ID # 002996

Assistant Professor Education

Elem. Read. & Spec. Education

381

\$36,551.00

MILLER, CHRISTOPHER THOMAS

\$38,000.00

Fixed Term I

08/13/2001 - 05/11/2002

Instructor of Education

Elem. Read. & Spec. Education

367

\$38,500.00

Appointment Status Actions
02/12/2001 - 05/18/2001

Name
Title
Department
Roster ID

Position Base Salary	Salary	Description	Effective Date	Fund Source
MOORE, MARILYN DEA Visiting Assistant Professor Information Systems 2051 \$31,707.00	\$32,183.00	Fixed Term I	08/13/2001 - 05/11/2002	Roster ID # 002996
NIEMEYER, BARBARA EDITH Assoc. Professor of Education Elem. Read. & Spec. Education 1253 \$48,416.00	\$48,416.00	Retirement	05/12/2001	
O'CHAROEN, VEEKIT Asst. Prof. Industrial Tech. Ind. Educ. & Technology 268 \$38,000.00	\$42,000.00	Standing I	08/13/2001	Roster ID # 002996
O'DELL, GARY ANDREW Asst. Professor of Geography Geog., Government & History 605 \$37,738.00	\$38,000.00	Standing I	08/13/2001	Roster ID # 002996

Appointment Status Actions

02/12/2001 - 05/18/2001

Name

Title

Department

Roster ID

Position Base Salary

Salary

Description

Effective Date

Fund Source

O'KEEFE, SEAN T.
Assistant Professor of Biology
Biological & Environmental Sci
557
\$39,000.00

\$40,000.00

Standing I

08/13/2001

Roster ID # 002996

PENN, STEVEN LYLE
Instructor of English
English, Foreign Lang. & Phil.

\$23,989.00

Fixed Term I

08/13/2001 - 05/11/2002

Roster ID # 002996

PERKINS, EMMA KAYE
Instructor of Art
Art
3174
\$25,240.00

\$35,800.00

Standing I

08/13/2001

Roster ID # 002996

PEYTON, DAVID K.
Assistant Professor of Biology
Biological & Environmental Sci
556
\$30,000.00

\$40,000.00

Standing I

08/13/2001

Roster ID # 002996

Appointment Status Actions

02/12/2001 - 05/18/2001

Name

Title

Department

Roster ID

Position Base Salary

Salary

Description

Effective Date

Fund Source

PHILLIPS, MARK
Assistant Professor Economics
Inst. Region. Anal. Pub. Pol.
3321
\$48,000.00

\$48,000.00

Standing I
New Position

08/13/2001

Opening Bud-Undist.

POLLOCK, MARY ANNE
Assoc. Professor of Education
Elem. Read. & Spec. Education
3056
\$70,366.00

\$70,000.00

Standing I
Promotion
Salary Adjustment
Title Change
Transfer
(From Assoc. Prof. Ed. to
Dept. Chair & Assoc.
Prof. Ed. From \$45,838
to \$70,000. 24,162 incr.)

08/01/2001

PRICE, KENT JONATHAN
Assistant Professor of Physics
Physical Sciences
588
\$38,074.00

\$44,000.00

Standing I

08/13/2001

Roster ID # 002996

Appointment Status Actions
02/12/2001 - 05/18/2001

Name
Title
Department
Roster ID

Position	Base Salary	Salary	Description	Effective Date	Fund Source
ROBBINS, SUZANNE M. Asst. Professor of Government Inst. Region. Analy. Pub. Pol. 3282 \$40,057.00		\$37,500.00	Standing I	08/13/2001	
ROSSI, REAGAN KAY Assistant Basketball Coach Women's Basketball 650 \$30,499.00		\$30,905.00/11 mo.	Fixed Term I	04/01/2001 - 03/31/2002	Opening Bud-Undist.
SEELIG, J. MICHAEL Dean of Humanities Off. Dean, Caudill Coll. Hum. 229 \$93,390.00		\$97,000.00	Standing I Transfer Salary Adjustment Title Change Promotion (From Exec. Asst., President to Dean of Human. & Prof. of Soc. Work. From \$81,571 to \$97,000. \$15,429 incr.)	07/01/2001	Roster ID # 002996

Appointment Status Actions
02/12/2001 - 05/18/2001

Name
Title
Department
Roster ID

Position Base Salary	Salary	Description	Effective Date	Fund Source
SERINI, SHIRLEY ANN Asst. Prof. of Communications Communication and Theatre 2988 \$48,363.00	\$45,000.00	Standing I	08/13/2001	
SHON, MEE-YOUNG Assistant Professor Education Elem. Read. & Spec. Education 373 \$48,983.00	\$40,000.00	Standing I	08/13/2001	
SINGH, MEENU Assistant Professor of CIS Information Systems 1393 \$65,000.00	\$83,000.00	Standing I	08/13/2001	Roster ID # 002996
SNYDER, STEVEN DEAN Assistant Professor of Music Music 518 \$53,144.00	\$35,500.00	Standing I	08/13/2001	

Appointment Status Actions

02/12/2001 - 05/18/2001

Name

Title

Department

Roster ID

Position Base Salary

Salary

Description

Effective Date

Fund Source

SPICKLER, DONALD E.

\$38,214.00

Resignation

06/30/2001

Asst. Professor of Mathematics

Mathematics

570

\$38,214.00

SPILLER, M. SHANE

\$67,000.00

Standing I

08/13/2001

Roster ID # 002996

Asst. Professor of Management

Management & Marketing

326

\$63,129.00

STAMPER, RICHARD M.

\$9.48/hr.

Retirement

07/31/2001

General Serviceworker

General Services

770

\$9.48/hr.

SUMMERVILLE, JAMIE LEE

\$37,518.00

Resignation

05/12/2001

Asst. Professor of Mathematics

Mathematics

2676

\$37,518.00

Appointment Status Actions
02/12/2001 - 05/18/2001

Name
Title
Department
Roster ID

Position	Base Salary	Salary	Description	Effective Date	Fund Source
SWAN, MICHAEL LYNN Women's Volleyball Coach Women's Volleyball 1779 \$28,294.00		\$31,338.00 (\$3,044.00 incr.)	Fixed Term I Salary Adjustment	07/01/2001 - 06/30/2002	Opening Bud-Undist.
TANNER, GEORGE Asst. Professor of Management Management & Marketing 3324 \$67,000.00		\$66,000.00	Standing I New Position	08/13/2001	
THOMAS, JENNIFER LEE Instructor of HPER Health, P.E. & Recreation		\$25,094.00	Fixed Term I	08/13/2001 - 05/11/2002	Roster ID # 000429
THOMPSON, ALICE KET Student Advisor KET-GED ON TV		\$9.11/hr.	Retirement	05/18/2001	
VANCE, JASON M. Librarian I Camden Carroll Library 679 \$33,723.00		\$30,000.00	Probation Standing I	06/11/2001	

Appointment Status Actions

02/12/2001 - 05/18/2001

Name

Title

Department

Roster ID

Position Base Salary

Salary

Description

Effective Date

Fund Source

VANSICKLE, JENNIFER LOUISE

\$33,062.00

Fixed Term I

07/01/2001 - 06/30/2002

Opening Bud-Undist.

Women's Softball Coach

(\$2,358.00 incr.)

Salary Adjustment

Women's Softball

654

\$30,704.00

WASHER, KENNETH M.

\$66,313.00

Resignation

06/30/2001

Asst. Professor of Finance

Accounting, Economics & Finan.

3266

\$66,313.00

WATKINS, DENISE MARIE

\$36,000.00

Standing I

08/13/2001

Instructor of Communications

(From Fixed Term I to
Standing I)

Communication and Theatre

474

\$37,804.00

WELLS, ANNE COLLIVER

\$28,000.00

Fixed Term I

08/13/2001 - 05/13/2002

Unbudgeted Revenues

Instructor of Education

New Position

Elem. Read. & Spec. Education

Appointment Status Actions

02/12/2001 - 05/18/2001

Name

Title

Department

Roster ID

Position Base Salary

Salary

Description

Effective Date

Fund Source

WHITE, ILSUN MIRANDA
Assoc. Professor of Psychology
Psychology
2097
\$34,213.00

\$45,000.00

Standing I

08/13/2001

Roster ID # 002996

WHITE, MAURICE F.
English Language Center Dir.
English Language Center
3331
\$54,000.00

\$54,000.00/annual

Fixed Term I
Probation

07/09/2001 - 06/30/2002

WHITE, WESLEY OLIN
Assoc. Professor of Psychology
Psychology
412
\$29,723.00

\$45,000.00

Standing I

08/13/2001

Roster ID # 002996

WILSON, BETTY JEAN
Librarian IV
Camden Carroll Library

\$9,958.00

Retired Re-Employment Prog.

07/01/2001 - 05/10/2002

Roster ID # 002996

WINELAND, CONNIE YUONNE
Instructor of English
English,Foreign Lang. & Phil.

\$23,989.00

Fixed Term I

08/13/2001 - 05/11/2002

Roster ID # 002996

Appointment Status Actions

02/12/2001 - 05/18/2001

Name

Title

Department

Roster ID

Position Base Salary

Salary

Description

Effective Date

Fund Source

WINTER, KATHLEEN RUTH

\$23,780.00

Fixed Term I

08/13/2001 - 05/11/2002

Roster ID # 002996

Instructor of English

English, Foreign Lang. & Phil.

3301

\$23,429.00

WYMER, SCOTT A.

\$60,000.00

Standing I

08/13/2001

Assistant Professor of CIS

Information Systems

2816

\$63,395.00

Transfer

Title Change

Promotion

Salary Adjustment

(From Ctr. Virt. Appal.

Dir. & CC, IRAPP to Asst.

Prof. of CIS, Inf. Sys.

From \$36,175 to \$60,000)

YANCY, THOMAS L.

\$43,553.00

Retirement

06/30/2001

Assoc. Professor of Radio-TV

Communication and Theatre

484

\$43,553.00

THE FOLLOWING IS THE TYPE OF PERSONNEL ACTION REPORT
IN THE SUPPLEMENTAL ACTIONS SECTION:

SUPPLEMENTARY

Total for this report = \$24,082.00

Over the Road	\$1,910.00
Teaching	\$1,400.00
Other	\$20,772.00

Supplemental Actions
02/12/2001 - 05/18/2001

Name	Title	Current Salary	Supplement	Description	Effective Date	Fund Source
<u>Space Science Center</u>						
MALPHRUS, BENJAMIN KEVIN	Professor of Space Science	\$51,955.00	\$9,022.00	Director of Space Science	01/01/2001 - 06/30/2001	Roster ID # 002996
<u>Elem. Read. & Spec. Education</u>						
MCGHEE, CONNIE LOU	Regional Monitoring Specialist	\$29,660.00	\$45.00	1 KTIP visit	03/24/2000 - 03/24/2000	Restricted
			\$213.00	IECE grant	08/21/2000 - 09/30/2000	Restricted
			\$125.00	IECE grant	01/16/2001 - 05/11/2001	Restricted
TIERNEY, LELANA GRAVES	Program Consultant	\$33,322.00	\$125.00	IECE grant	05/30/2000 - 06/30/2000	Restricted
			\$71.00	IECE grant	08/21/2000 - 09/30/2000	Restricted
			\$125.00	IECE grant	01/16/2001 - 05/11/2001	Restricted
<u>Psychology</u>						
FOX, AMY JO	Medical Dept. Psychologist	\$48,667.00	\$1,800.00	Over the Road	01/16/2001 - 05/11/2001	Roster ID # 003132
			\$110.00	Over the Road	01/16/2001 - 05/11/2001	Over The Road Acct.
<u>Inst. Region. Anal. Pub. Pol.</u>						
RUDY, DAVID R.	Dean Inst Reg Anal & Pub Pol	\$96,988.00	\$1,950.00	KY Homeless Survey grant	01/08/2001 - 02/24/2001	Restricted
			\$1,300.00	KY Homeless Survey grant	03/01/2001 - 04/30/2001	Restricted

Supplemental Actions
02/12/2001 - 05/18/2001

Name Title	Current Salary	Supplement	Description	Effective Date	Fund Source
<u>Correct. Research & Training</u>					
HENSLEY, CHRISTOPHER LEE		\$1,052.00	Teach Summer II	06/19/2000 - 06/30/2000	Summer School
Dir., Inst. Correct. Training		\$1,052.00	Teach Summer II	07/01/2000 - 07/14/2000	Summer School
\$48,056.00		\$3,618.00	KIP Project Director	07/01/2000 - 06/30/2001	Restricted
		\$11,055.00	Adoption Project Director	07/01/2000 - 06/30/2001	Restricted
		\$200.00	Pre- and post-test eval.	09/18/2000 - 09/30/2000	Restricted
		\$1,800.00	Additional research	04/15/2001 - 06/30/2001	Restricted
<u>Office of Continuing Education</u>					
LEWIS, MARGARET		\$1,300.00	Provide Continuing Ed.	11/10/2000 - 12/15/2000	Operating Expenses
Dir., Big Sandy ECC		\$1,500.00	Teach 3 hrs.	01/16/2001 - 05/12/2001	Lecturer Acct.
\$69,054.00		\$1,300.00	Provide Continuing Ed.	03/30/2001 - 04/21/2001	Operating Expenses
<u>English Language Center</u>					
BALDWIN, ALAN ROMANS		\$6,900.00	Duties as Director of ELC	09/19/2000 - 12/31/2000	Unbudgeted Revenues
Asst. to EVPAA & IPA Officer		\$2,000.00	Duties as Director of ELC	01/02/2001 - 01/31/2001	Unbudgeted Revenues
\$49,147.00		\$2,000.00	Duties as Director of ELC	02/01/2001 - 02/28/2001	Unbudgeted Revenues
		\$2,000.00	Duties as Director of ELC	03/01/2001 - 03/31/2001	Unbudgeted Revenues
		\$100.00	Teacher Education Prog.	02/22/2001 - 02/22/2001	Operating Expenses
		\$4,000.00	Duties as Director of ELC	04/01/2001 - 05/31/2001	Unbudgeted Revenues

Supplemental Actions
02/12/2001 - 05/18/2001

Name
Title

Current Salary	Supplement	Description	Effective Date	Fund Source
<u>Beg. TIP (Educat. Serv. Unit)</u>				
BLAIR, SHIRLEY S.	\$405.00	9 KTIP visits	03/30/2000 - 04/19/2000	Restricted
Dir., Educational Service Unit	\$248.00	KTIP training	06/08/2000 - 06/08/2000	Restricted
\$60,097.00	\$3,000.00	KTIP, KPIP, TEP duties	04/10/2000 - 06/30/2000	Roster ID # 000397
	\$248.00	KTIP training	07/13/2000 - 07/13/2000	Restricted
	\$248.00	KTIP training	07/28/2000 - 07/28/2000	Restricted
	\$1,000.00	Coord, Field Exp.	07/01/2000 - 07/31/2000	Operating Expenses
	\$248.00	KTIP training	08/10/2000 - 08/10/2000	Restricted
	\$700.00	Teach MSU 101	08/21/2000 - 11/30/2000	Lecturer Acct.
	\$248.00	KTIP training	08/28/2000 - 08/28/2000	Restricted
	\$45.00	1 KTIP visit	09/20/2000 - 09/20/2000	Restricted
	\$496.00	2 KTIP trainings	09/08/2000 - 09/14/2000	Restricted
	\$5,000.00	Assist with PT3 grant	10/16/2000 - 05/31/2001	Restricted
	\$496.00	2 KTIP trainings	09/15/2000 - 09/22/2000	Restricted
	\$248.00	KTIP training	10/05/2000 - 10/05/2000	Restricted
	\$540.00	12 KTIP visits	09/20/2000 - 11/27/2000	Restricted
	\$45.00	1 KTIP visit	12/04/2000 - 12/11/2000	Restricted
	\$225.00	5 KTIP visits	02/16/2001 - 02/21/2001	Restricted
	\$225.00	5 KTIP visits	04/25/2001 - 04/25/2001	Restricted

**ACCEPT THIRD QUARTER
FINANCIAL REPORT AND
AMEND OPERATING BUDGET**

**BOR (V-A-9)
June 8, 2001**

Background:

The University has a statutory requirement to furnish quarterly financial reports to the Board of Regents. Financial statements have been prepared for the third quarter of the fiscal year that will end on June 30, 2001. The statements, along with management's discussion and analysis and budget amendment information are attached.

Recommendation:

That the Board accept the financial statements and amend the operating budget for the third quarter of the fiscal year that will end on June 30, 2001.

Management's Discussion and Analysis
Third Quarter Financial Statements
Morehead State University
March 31, 2001

This discussion and analysis of Morehead State University's financial statements provides an overview of the University's financial activities for the nine months that ended on March 31, 2001. The statements and this discussion and analysis have been prepared by Administration and Fiscal Services staff.

Using These Financial Statements

This report consists of two basic financial statements. The Statements of Net Assets includes information about the assets, liabilities and net assets, or fund balances, of the entire University. The Statements of Revenues, Expenditures and Changes in Fund Balance provides information about the unrestricted current funds revenues, expenditures and transfers of the University. The statements are prepared on an accrual basis and reflect the results of all transactions that affect the financial status of Morehead State University.

Financial Highlights

Morehead State University's financial picture remains stable through the third quarter of the 2000-2001 fiscal year. During the period July 1, 2000 through March 31, 2001 the University operated with a surplus of revenues over expenditures and transfers in the amount of \$11,797,671. This level of operating surplus is still expected at this time, since most of the billings for the Spring 2001 semester are reflected in the tuition and fees revenue and only expenditures through March 31, 2001 are reflected, and will continue to be more evenly reflected during the fiscal year, as was the case for the previous financial statements. As the year progresses, the variance between revenues and expenditures will decrease and will reflect a more appropriate operating surplus or deficit.

Significant trends and variances for the nine months are summarized as follows:

- Accounts receivable increased only about \$960,000 as compared to March 31, 2000. This is attributable to an increase in the receivable from federal and state granting agencies in the amount of about \$140,000, and a normal cyclical increase in student accounts receivable. Had these been collected at March 31, 2001, these amounts would have been reflected in cash instead of receivables.
- The increase in cash of approximately \$16.5 million is attributable almost entirely to funds that were advanced from the state for the Breckenridge Hall renovation (\$14 million) and the Center at West Liberty (\$6 million), less expenditures that have been made to date.
- The investment in capital assets has increased about \$10.7 million since March 31, 2000. This increase relates to the Breckenridge Hall renovation (about \$6.2 million), phone

switch, computers and other equipment (about \$2.6 million) student Housing Fire Safety Phases 1 and 2 (about \$1.9 million) and internally managed projects such as elevators, roof repairs, etc. (about \$3.0 million) less estimated depreciation, for a net increase of about \$10.7 million.

- The percentage of revenue assessments compared to budget projections appears to be in line with expectations through the third quarter of a fiscal year, considering that most tuition, fee and housing revenues had been billed as of March 31, 2001. Budgets for the major revenue categories of tuition and housing were based on projections of enrollment and residence hall occupancy. Fall and spring semester projections for both these categories were met.
- Expenditure trends also appear to be proceeding according to the budget plan, considering normal cyclical and timing differences.

MOREHEAD STATE UNIVERSITY

Statements of Net Assets

March 31, 2001 And 2000

ASSETS	<u>2001</u>	<u>2000</u>
Cash	\$41,609,230	\$25,141,047
Investments in US government obligations-at cost	8,378,995	7,416,454
Accounts Receivable	3,741,056	4,598,965
Inventories	1,861,365	1,710,975
Notes Receivable	3,627,290	3,524,367
Land, Buildings, Equipment and Library Collection- net of depreciation	<u>97,187,195</u>	<u>86,438,041</u>
TOTAL ASSETS	<u>\$156,405,131</u>	<u>\$128,829,849</u>
 LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable	\$649,721	\$2,397,418
Accrued salaries and other liabilities	415,609	643,785
Unearned revenues-state and federal grants	603,270	669,783
Deposits	441,876	326,579
Accrued vacation pay	1,485,757	1,569,380
Bonds and notes payable	<u>30,617,544</u>	<u>31,666,889</u>
Total Liabilities	<u>\$34,213,777</u>	<u>\$37,273,834</u>
 Net Assets		
Capital	\$66,569,651	\$54,771,152
Non-capital		
Restricted	29,349,716	14,075,981
Non-restricted	<u>26,271,987</u>	<u>22,708,882</u>
Total Net Assets	<u>\$122,191,354</u>	<u>\$91,556,015</u>
 TOTAL LIABILITIES AND NET ASSETS	<u>\$156,405,131</u>	<u>\$128,829,849</u>
 ANALYSIS OF NON-RESTRICTED FUND BALANCE		
Allocations		
Working Capital		
Accounts Receivable	\$1,324,666	\$1,173,820
Inventories	1,861,365	1,710,975
Cashier's Operating Funds	105,000	105,000
Budgeted Fund Balance-Capital Projects	4,849,207	2,005,500
Budgeted Fund Balance-Non-capital Projects	<u>2,620,115</u>	<u>2,282,800</u>
Total Working Capital	<u>\$10,760,353</u>	<u>\$7,278,095</u>
Funded Reserves	<u>\$1,370,400</u>	<u>\$1,648,200</u>
Total Allocated Fund Balance	\$12,130,753	\$8,926,295
Unallocated Fund Balance	<u>14,141,234</u>	<u>13,782,587</u>
Total Unrestricted Fund Balance	<u>\$26,271,987</u>	<u>\$22,708,882</u>

See Attached Notes To Statements of Net Assets

NOTES TO STATEMENTS OF NET ASSETS
MOREHEAD STATE UNIVERSITY
MARCH 31, 2001 AND 2000

1. These Statements of Net Assets include the unrestricted current funds, restricted current funds, endowment funds, and plant funds of the University. Agency funds held for others are not included.
2. Accounts receivable are shown net of allowance for uncollectible student accounts of \$363,185 at March 31, 2001 and \$346,068 at March 31, 2000. Also included in this category is the sum of \$1,385,142 receivable from federal and state grant agencies at March 31, 2001 and \$1,242,459 at March 31, 2000.
3. Notes receivable represent balances owed the University from borrowers who have participated in the Federal Perkins Loan Program. The balance is presented net of allowance for uncollectible accounts in the amount of \$96,377 at March 31, 2001 and \$147,779 at March 31, 2000.
4. Accumulated depreciation on buildings and equipment was \$85,045,731 at March 31, 2001 and \$81,219,578 at March 31, 2000.
5. Accrued salaries and other liabilities include amounts due for withheld and matching portions of payroll taxes and estimated claims payable but unsubmitted to the University's health insurance program.
6. Unearned revenues from federal and state grants represent amounts received but not expended at the balance sheet dates.
7. Bonds and notes payable include both the current and long-term portions of amounts borrowed to finance the purchase of plant assets.
8. The capital portion of the net assets balance is the equity the University has in land, buildings, equipment, and library holdings.
9. Restricted net assets include the fund balances of the restricted current funds, endowment funds, loan funds, and expendable plant funds.

MOREHEAD STATE UNIVERSITY
Unrestricted Current Funds
Statements of Revenues, Expenditures and Changes in Fund Balance
For the Nine Months Ended March 31, 2001 and 2000

	2000-2001			1999-2000		
	Amended Budget	Actual	Percent of Actual to Budget	Amended Budget	Actual	Percent of Actual to Budget
REVENUES						
Educational and General						
Tuition and Fees	\$ 21,798,826	\$21,648,034	99.31%	\$ 21,186,330	\$ 20,045,293	94.61%
Gov't Appropriations	40,514,375	34,019,589	83.97%	39,426,564	31,452,664	79.78%
Unrestricted Gifts	0	0		0	0	
Indirect Cost Reimbursement	306,492	287,129	93.68%	255,462	244,878	95.86%
Sales & Services of Ed. Activities	1,178,115	1,138,500	96.64%	1,056,079	981,707	92.96%
Other Sources	1,677,671	1,723,197	102.71%	627,221	1,356,717	216.31%
Budgeted Fund Balance - E & G	6,040,222	0		4,329,580	0	
Total Educational and General	<u>\$ 71,515,701</u>	<u>\$58,816,449</u>	<u>82.24%</u>	<u>\$ 66,881,236</u>	<u>\$ 54,081,259</u>	<u>80.86%</u>
Auxiliary Enterprises						
Housing	\$ 7,875,400	\$ 6,061,576	76.97%	\$ 6,840,427	\$ 5,520,300	80.70%
University Store	2,925,000	3,135,669	107.20%	2,825,000	2,859,245	101.21%
Food Services	594,000	514,405	86.60%	590,000	479,622	81.29%
Other	170,000	138,558	81.50%	159,600	155,012	97.13%
Total Auxiliary Enterprises	<u>\$ 11,564,400</u>	<u>\$ 9,850,208</u>	<u>85.18%</u>	<u>\$ 10,415,027</u>	<u>\$ 9,014,179</u>	<u>86.55%</u>
TOTAL REVENUES	<u>\$ 83,080,101</u>	<u>\$68,666,657</u>	<u>82.65%</u>	<u>\$ 77,296,263</u>	<u>\$ 63,095,438</u>	<u>81.63%</u>

MOREHEAD STATE UNIVERSITY
Unrestricted Current Funds
Statements of Revenues, Expenditures and Changes in Fund Balance
For the Nine Months Ended March 31, 2001 and 2000

	2000-2001			1999-2000		
	Amended Budget	Actual	Percent of Actual to Budget	Amended Budget	Actual	Percent of Actual to Budget
EXPENDITURES AND TRANSFERS BY DIVISION						
Educational & General						
President & Administration	\$ 1,406,431	\$ 974,657	69.30%	\$ 1,366,542	\$ 952,989	69.74%
University Relations	1,424,908	969,195	68.02%	1,365,987	890,710	65.21%
Administration & Fiscal Services	10,646,084	8,462,635	79.49%	11,077,266	8,771,905	79.19%
Student Life	10,913,221	9,453,460	86.62%	10,196,508	8,598,601	84.33%
Academic Affairs	36,730,977	23,755,645	64.67%	35,415,530	22,957,111	64.82%
Other	10,267,991	6,032,768	58.75%	8,173,631	3,648,267	44.63%
Total Educational & General	<u><u>\$ 71,389,612</u></u>	<u><u>\$ 49,648,360</u></u>	<u><u>69.55%</u></u>	<u><u>\$ 67,595,464</u></u>	<u><u>\$ 45,819,583</u></u>	<u><u>67.78%</u></u>
Auxiliary Enterprises						
Housing	\$ 8,191,986	\$ 3,904,170	47.66%	\$ 6,922,279	\$ 2,632,927	38.04%
University Store	2,643,266	2,758,629	104.36%	2,586,563	2,727,398	105.44%
Food Services	433,682	286,973	66.17%	725,886	551,289	75.95%
Other	421,555	270,854	64.25%	466,071	291,047	62.45%
Total Auxiliary Enterprises	<u><u>\$ 11,690,489</u></u>	<u><u>\$ 7,220,626</u></u>	<u><u>61.76%</u></u>	<u><u>\$ 10,700,799</u></u>	<u><u>\$ 6,202,661</u></u>	<u><u>57.96%</u></u>
TOTAL EXPENDITURES AND TRANSFERS BY DIVISION	<u><u>\$ 83,080,101</u></u>	<u><u>\$ 56,868,986</u></u>	<u><u>68.45%</u></u>	<u><u>\$ 78,296,263</u></u>	<u><u>\$ 52,022,244</u></u>	<u><u>66.44%</u></u>
NET CHANGE IN FUND BALANCE		<u><u>\$ 11,797,671</u></u>			<u><u>\$ 11,073,194</u></u>	

MOREHEAD STATE UNIVERSITY
Unrestricted Current Funds
Budget Amendments
For the Period January 1, 2001 to March 31, 2001

<u>Description</u>	<u>Opening Budget</u>	<u>Amended Budget As Of 01/01/2001</u>	<u>Adjustments</u>	<u>Amended Budget As Of 03/31/2001</u>
Revenues and Other Additions				
Tuition and Fees	\$ 21,798,200	\$ 21,798,200	\$ 626	\$ 21,798,826
Government Appropriations	40,326,200	40,326,200	188,175	40,514,375
Indirect Cost Reimbursement	300,000	306,492	-	306,492
Sales and Services of Ed. Activities	860,400	1,031,176	146,939	1,178,115
Other Sources	1,360,400	1,596,276	81,395	1,677,671
Budgeted Fund Balance - E&G	5,392,500	5,759,497	280,725	6,040,222
Auxiliary Enterprises	10,035,300	10,035,300	-	10,035,300
Budgeted Fund Balance - AUX	1,211,100	1,511,100	18,000	1,529,100
Total Revenues and Other Additions	\$ 81,284,100	\$ 82,364,241	\$ 715,860	\$ 83,080,101
Expenditure Authorizations by Division				
Educational & General				
President & Administration	\$ 1,231,251	\$ 1,360,839	\$ 45,592	\$ 1,406,431
University Relations	1,227,548	1,355,182	69,726	1,424,908
Administration & Fiscal Services	10,482,681	10,837,600	(191,516)	10,646,084
Student Life	10,836,618	10,691,203	222,018	10,913,221
Academic Affairs	35,693,330	36,492,515	238,462	36,730,977
Debt Service & Mandatory Transfers	3,560,872	3,526,611	-	3,526,611
Other	6,836,800	6,600,413	140,967	6,741,380
Total Educational & General	\$ 69,869,100	\$ 70,864,363	\$ 525,249	\$ 71,389,612
Auxiliary Enterprises				
Administration & Fiscal Services	\$ 7,018,758	\$ 7,036,654	\$ 11,111	\$ 7,047,765
Student Life	724,142	791,124	2,500	793,624
Debt Service	2,261,000	2,261,000	-	2,261,000
Other	1,411,100	1,411,100	177,000	1,588,100
Total Auxiliary Enterprises	\$ 11,415,000	\$ 11,499,878	\$ 190,611	\$ 11,690,489
Total Expenditure Authorizations	\$ 81,284,100	\$ 82,364,241	\$ 715,860	\$ 83,080,101

MOREHEAD STATE UNIVERSITY
Unrestricted Current Funds
Budget Amendments
For the Period January 1, 2001 to March 31, 2001
Notes of Significant Adjustments to Revenue and Other Additions

Government Appropriations

Unbudgeted revenue allocated during the third quarter totalled \$188,175.

- \$33,175 from Kentucky Law Enforcement Foundation Program Fund (KLEFPF) revenue was allocated to Public Safety for incentive pay to police officers
- \$155,000 from the Enrollment Growth & Retention Trust Fund was allocated to University Relations, Admissions and Graduate Programs in support of marketing action plans geared to recruit students.

Sales & Services of Educational Activities

Unbudgeted revenue allocated during the third quarter totalled \$146,939.

- Eagle Athletic Fund (EAF) support from the Morehead State University Foundation, Inc. totalled \$63,751. The funds were budgeted in various athletic programs.
- Unbudgeted revenue allocated from career services fees totalled \$4,930.
- Guarantee income for the baseball program totalled \$2,157.
- An additional \$71,817 was allocated from English Language Center revenue to fund expenditures for that program.

Other Sources

Budget allocations from other sources increased by \$81,395 in the third quarter.

- Unbudgeted support from the Morehead State University Foundation, Inc. totalled \$36,134.
 - \$13,304 was allocated to WMKY
 - \$21,301 was allocated to various academic programs
- Other miscellaneous sources totalled \$43,715. Most of these funds were budgeted within the Division of Academic Affairs for various academic programs.

Budgeted Fund Balance – E&G

Budget allocations from fund balance for E&G purposes totalled \$280,725 in the third quarter.

- \$17,500 was allocated to the University Wellness Center for equipment
- \$20,000 was allocated to the Music Department for supplies
- \$3,500 was allocated to the Art Department for supplies
- \$30,000 was allocated to Development & Alumni Relations for additional operating expenses
- \$50,000 was allocated to cover employee recruitment expenses
- \$20,185 was allocated to Admissions for furniture upgrades
- \$69,500 was allocated for partial payment of White's Trailer Park
- An additional \$51,200 was allocated to cover expenses related to the transitioning of the NASA Satellite Tracking System.
- \$13,000 was allocated to cover costs of campus landscaping

MOREHEAD STATE UNIVERSITY
Budget Amendments Greater Than \$200,000
For the Period January 1, 2001 to March 31, 2001

From: <u>Revenue and Other Additions</u>	To: <u>Division/</u> <u>Budget Unit</u>	<u>Amount</u>	<u>Description</u>
None.			

MOREHEAD STATE UNIVERSITY
Capital Outlay Status Report
Agency Funds
For the Period of January 1, 2001 to March 31, 2001

	<u>Estimated Project Scope</u>	<u>Completion Date</u>	<u>Project Status</u>
I Equipment Purchases Greater than \$50,000			
Residence Halls Furnishings:			
Cartmell Hall	\$ 588,000		Scheduled
Telephone Switch Replacement	1,100,000	February, 2001	Completed
	<u>\$ 1,688,000</u>		
II Capital Construction Projects/ Land Acquisitions Greater than \$200,000			
1998-00 Deferred Maintenance and Government Mandates Pool			
(Commonwealth of Kentucky is funding 50 percent of the total cost of the projects)			
Elevator Upgrades/Installation (RH, LC, CY)	\$ 350,000	March, 2001	Completed
Fire Alarm Upgrades/Replacement	150,000		In Design
Mechanical System Replacements (AA, ADUC)	250,000	January, 2001	Completed
Window Replacement (BM)	150,000		In Design
Window Replacement (CB)	300,000	July, 2000	Completed
Window Replacement (LC)	150,000	August, 2000	Completed
Dam Restoration	800,000		In Design
	<u>\$ 2,150,000</u>		
Lakewood Terrace Family Housing Complex	\$ 4,000,000		In Design
MSU Network Project Phase V (FY 00/01)	\$ 463,940		In Progress
Protect Investment in Plant - Auxiliary Facilities			
Structural Repairs - Floor & Ceiling Tile, Doors/Locks, Wall Repairs (AT, CH)	\$ 801,000		In Progress
Mechanical Repairs/Replacements - Cooling Tower, Fan Coils (MT, CO)	220,000	August, 2000	Completed
	<u>\$ 1,021,000</u>		

MOREHEAD STATE UNIVERSITY
Capital Outlay Status Report
Agency Funds
For the Period of January 1, 2001 to March 31, 2001

	<u>Estimated Project Scope</u>	<u>Completion Date</u>	<u>Project Status</u>
Residence Halls - Sprinkler Installation & Other Fire Safety Projects			
Project II - 2000	\$ 1,580,000		In Progress
Project III - 2001	980,000		In Design
Project IV - 2002	1,700,000		In Design
Project V - 2003	812,000		Scheduled
	<u>\$ 5,072,000</u>		
2000-02 Capital Renewal and Maintenance Pool			
(Commonwealth of Kentucky is funding 50 percent of the total cost of the projects)			
Life Safety - E&G	\$ 200,000		In Design
1990 Clean Air Act Compliance - E&G			
Claypool-Young Chiller Replacement	200,000	August, 2000	Completed
Ginger Hall, Reed Hall, Laughlin Chiller Replacement	800,000		In Design
Roof Replacement - Button, Rice Maint. Bldg., Claypool-Young, Combs	550,000		In Design
Mechanical Systems Replacements	570,000		In Design
Ceiling Tile Replacement (Radar & Laughlin)	100,000		In Design
Window Replacement (Radar)	150,000		In Design
Gas Fired Boiler Installation	380,000		In Progress
Central Campus Reconstruction	300,000		In Design
	<u>\$ 3,250,000</u>		
Residence Hall Repairs (ME, CO, WI, AT)	\$ 300,000		In Design

**AMEND PERSONNEL POLICIES PAc-17,
SABBATICAL LEAVES OF ABSENCE AND PAc-28, BOR (V-A-10)
EDUCATIONAL LEAVES OF ABSENCE June 8, 2001**

Background:

The Board of Regents approved changes to University Personnel Policies PAc – 17, Sabbatical Leaves of Absence and PAc-28, Educational Leaves of Absence at its regular quarterly meeting in March 2001. The changes recommended and approved at the March meeting was to bring the University's sabbatical and educational leave policies in compliance with a recent Kentucky Teachers' Retirement System's ruling that retirement contributions for sabbaticals and leaves of absence be treated in the same manner as leaves of absences without pay.

Though the policies were approved, a concern was raised regarding the length of time the University could conceivably remain liable for the employer contribution if the employee on leave or sabbatical elected not to purchase their entitled service credit in a timely manner.

Verbiage has been added to the policies to clarify that the University will contribute the employer matching amount if the employee elects to purchase the service credit within the "interest free" period defined by KTRS (which is currently defined as June 30 of the school year for which the leave was granted).

Recommendation:

That the Board of Regents amend PAc-17, Sabbatical Leave of Absence and PAc-28, Educational Leave of Absence.

Policy: PAc-17

Subject

Sabbatical Leave of Absence

Approval Date: 07/01/85

Revision Date: 03/10/97

Revision Date: 03/03/2001

~~Revision Date: 06/10/2001~~

PURPOSE:

To provide a leave of absence with pay for research and independent study, professional enhancement such as institutes and workshops, and travel related to the applicant's professional interests. Sabbatical leaves will not be granted for the purpose of pursuing an advanced degree.

A sabbatical is a privilege which may be granted to an individual who has demonstrated by publication, teaching, exhibition or performance an above average ability in teaching, professional achievement, and service.

PRINCIPLES:

The privilege of a sabbatical leave of absence may be granted to an individual who has demonstrated through annual performance evaluation of teaching effectiveness, professional achievement, and service, an above-average potential to provide tangible contributions to the University upon completion of this sabbatical leave of absence.

All requests for sabbatical leave will be considered. However, budgetary constraints that may vary from year to year may limit the number of leaves granted.

ELIGIBILITY:

Full-time, tenured (exception 3.b below) faculty members and academic administrators who hold tenure in an academic rank and who meet the following conditions may apply for a sabbatical leave of absence:

1. Rank of Assistant Professor, Associate Professor, or Professor.
2. A minimum of six consecutive contract years of full-time service.
3.
 - a. Tenured (if they are paid through the University) or
 - b. If paid with funds provided by an agency other than the University, and in a non-tenured position, they have served at least seven years in one of the ranks listed above. In these cases, the use of restricted funds for sabbatical leaves must be allowed by the granting agency.

LIMITATION:

A sabbatical leave will not be granted to an individual who cannot provide two contract years of full-time service to the University following return from the sabbatical leave.

CRITERIA FOR
CONSIDERATION:

All of the following factors will be equally considered evaluating an application for sabbatical leave:

1. The potential value of the leave for the professional growth of the applicant.
2. The quality of the applicant's teaching professional achievement, and service.
3. The potential for the enhancement of the University's academic program.
4. The completeness and the specificity of the sabbatical leave application form.

SUBMISSION OF
REQUEST FOR
SABBATICAL LEAVE:

The faculty member is responsible for submitting the application for a sabbatical leave on a form provided.

Such applications shall be submitted to the department Chair no later than September 15 preceding the fiscal year during which the leave is to begin. A faculty member may submit an application a year in advance.

THE REVIEW
PROCESS:

The applications shall be reviewed by a Department Leave Committee (composed of tenured faculty members), and in turn by the Department Chair, the College Dean, the University Professional Development Committee, and the Executive Vice President for Academic Affairs and Dean of Faculty. No person shall be on both departmental leave committee and University Professional Development committees and no applicant for sabbatical leave shall serve on either. The recommendations of each review level shall be recorded and submitted to the next higher level of review.

The University Professional Development Committee will make recommendations, accompanied by brief evaluations of the applications, in writing to the Executive Vice President for Academic Affairs.

At this point the applicants may examine recommendations from all levels of review and, if the recommendations of the Professional Development Committee are negative, may respond to the Executive Vice President in writing.

The Executive Vice President for Academic Affairs will make Recommendations to the President who will make recommendations to the

Board of Regents.

Sabbatical leave of absence applications which are recommended by the President are sent to the Board of Regents for final approval at its second quarterly meeting.

Applications submitted a year in advance will be reviewed a year in advance. If a sabbatical leave is denied, a new application may be filed.

A person granted a sabbatical leave may receive full monthly base salary for up to one semester payable over the semester or one-half of the monthly base salary for up to two semesters payable over nine or twelve months. The salary will be based upon that which the person would have received for the academic year had the sabbatical leave not been taken.

The successful applicant will retain the following rights during time spent on a sabbatical leave of absence:

1. The recipient may share in the salary increases awarded by the University.
2. If the recipient is a KTRS participant, retirement contributions will not be withheld during time spent on sabbatical nor will the University make retirement contributions on their behalf. However, sabbatical recipients will be eligible to purchase service credit for the period of time spent on a sabbatical according to the guidelines set forth by the KTRS. If the sabbatical participant chooses to purchase the service credit within the "interest-free period" as established by the KTRS, the University will pay the difference between the service credit purchase price and the amount that would have otherwise been deducted from the recipient's pay if contributions had been allowed by KTRS. If the sabbatical participant chooses not to purchase the service credit, the University will make no contributions on the participant's behalf. Retirement withholdings for non-KTRS sabbatical recipients and contributions by the University on their behalf will continue at the rates in effect before the sabbatical began.
3. The leave period counts toward requirement for promotion.
4. The recipient will return to the former position with the University unless otherwise agreed to by the employer and employee.
5. The recipient who is a member of a University insurance coverage plan will continue to receive coverage at the same rates while on a sabbatical leave. This applies to dependents as well.

2. The benefit received by the academic department/University as a result of the faculty member completing additional advanced study.
3. Quality of academic service of the faculty member.

APPLICATION
PROCEDURE:

The faculty member is responsible for submitting the application for an educational leave on the form provided. Such applications should be submitted to the department chair by December 15 preceding the fiscal year during which the leave is to begin.

REVIEW PROCESS:

The applications shall be reviewed by a Departmental Leave Committee (composed of tenured faculty members), the Department Chair, the College Dean, the University Faculty Leave Committee, and the Vice President for Academic Affairs and Dean of Faculty. No person shall serve on both departmental and University leave committees. The recommendations of each review level shall be recorded and submitted to the next higher level of review.

Recommendations will be made by the Vice President for Academic Affairs and Dean of Faculty to the President.

Educational leave of absence applications which are recommended by the President shall be presented to the Board of Regents for final approval at its third quarterly meeting.

SALARY PAYMENT:

A person granted an educational leave will receive full monthly base salary for up to one semester payable over the semester or one-half of the monthly base salary for up to two semesters payable over nine, ten, or twelve months. The salary will be based upon that which the person would have received for the academic year had the educational leave not been taken. After the Educational Leave of Absence the faculty member is eligible to apply for a leave of absence without pay.

FACULTY RIGHTS
DURING THE LEAVE:

The successful applicant will retain the following rights during time spent on an educational leave:

1. The recipient who is a member of a University insurance plan will continue to receive coverage at the same rates while on an educational leave. This applies to dependents as well.
2. If the recipient is a KTRS participant, retirement contributions will not be withheld during time spent on educational leave nor will the University make retirement contributions on their behalf. However, educational leave recipients will be eligible to purchase service credit for the period of time spent on educational leave according to the guidelines set forth by the KTRS. If the educational leave participant chooses to purchase the service credit within the "interest-free period" as established by the

KTRS, the University will pay the difference between the service credit purchase price and the amount that would have otherwise been deducted from the recipient's pay if contributions had been allowed by KTRS. If the educational leave participant chooses not to purchase the service credit, the University will make no contributions on the participant's behalf. Retirement withholdings for non-KTRS educational leave recipients and contributions by the University on their behalf will continue at the rates in effect before the educational leave began.

3. The faculty member may request to credit one academic year towards the probationary period for tenure (if in a tenure track position) and length of service in rank for promotion. This request must be made on the Educational Leave of Absence Application Form. Leave not counted towards probationary time will be considered a break in continuous service. Non-tenured faculty members returning from leave not counted towards tenure will be in probationary status with zero years credit unless credit for, up to three years, previous experience at Morehead State University is applied upon return to active employment as specified in PAc-27 (Probationary or Pre-tenure).
4. The recipient will return to the former position with the University unless otherwise agreed to by the employer and employee.

FACULTY
OBLIGATIONS:

The recipient will have the following obligations regarding the educational leave:

1. The recipient of an educational leave will submit the following reports to the appropriate college dean:
 - a. An interim report will be submitted at the completion of each semester/quarter. This report will consist of a description of course work completed and credit earned.
 - b. A final report will be submitted at the completion of the educational leave consisting of transcripts of courses completed, description of how the leave was spent, and status of degree completion.
2. An agreement will be drawn up between the recipient and the University stating the approved course work during the educational leave and the recipient's rights and obligations. Failure of the recipient to comply with the contractual provisions of the educational leave will result in cancellation of the leave and forfeiture of all rights specified in the leave agreement.

3. After the educational leave expires the recipient shall return to service at Morehead State University for two years or repay the amount of salary received while on leave. If the recipient of an educational leave returns to the University for a period less than the time contracted, the amount of salary to be repaid shall be prorated in relation to the amount of return service given.

SUBSEQUENT LEAVES
OF ABSENCE:

An individual becomes eligible to apply for a subsequent educational leave of absence under the terms and conditions specified.

EXCEPTIONS:

The President has the option of making exceptions to the above stated policy when deemed in the best interest of the University.

APPROVE SELECTION OF AUDITING FIRM

BOR (V-A-11)

June 8, 2001

Background:

The bylaws of the Morehead State University Board of Regents provide that the Audit Committee will review, evaluate and recommend to the full Board, an accounting firm to conduct the University's annual audits. State statutes specify that the accounting firm must be selected through a request for proposal (RFP) process, and that a personal services contract be issued to engage the firm.

In February, an RFP was issued and mailed to those national and some regional accounting firms with offices in the state of Kentucky. In addition, the process was advertised in the Lexington Herald-Leader. A pre-proposal conference was held on March 8th with representatives from firms interested in submitting proposals. The deadline for submission of proposals was March 22nd. Proposals were received from the following firms:

Crowe, Chizek and Company, Lexington and Louisville, Kentucky
Kelley, Galloway and Company, Ashland, Kentucky
Potter and Company, Lexington, Kentucky
PricewaterhouseCoopers, Lexington, Kentucky

The proposals were independently evaluated by the Associate Vice President for Fiscal Services, the Director of Accounting and Budgetary Control, and the Director of Internal Audits. The evaluations were scored using factors that were published in the RFP document and weighted as to their relative importance to the award of the contract.

The evaluation scores for Crowe, Chizek and Company, and Kelley, Galloway and Company were very close. Both firms have auditing experience with audits of public universities in Kentucky. Kelley, Galloway and Company has audited Morehead State University since the mid-1950's and Crowe, Chizek and Company has audited both Eastern Kentucky University and Kentucky State University for the past few years. The first year fees from Crowe, Chizek and Company and Kelley, Galloway and Company were quoted as \$41,000 and \$42,500 respectively.

At its meeting on April 19th, the Audit Committee reviewed and approved the staff's recommendation that the audit contract be awarded to Crowe, Chizek and Company. The personal service contract will be issued for a one-year period beginning with the audit for the fiscal year that will end on June 30, 2001, and will be renewable for an additional four one-year periods with the consent of both parties. The contract must be submitted for approval by the Government Contract Review Committee of the Legislative Research Commission.

Recommendation:

That based on the recommendation of the Audit Committee, the Board approve the award of the contract for the University's auditing services to Crowe, Chizek and Company with offices in Lexington and Louisville, Kentucky.

**APPROVE MINIMUM SCOPE
OF THE ANNUAL AUDIT**

**BOR (V-A-12)
June 8, 2001**

Background:

The University is required to have an annual audit conducted of its financial activities. The bylaws of the Board of Regents specify that the Audit Committee will review, evaluate, advise and recommend to the full Board the minimum scope of the annual audit.

The Associate Vice President for Fiscal Services, the Director of Accounting and Budgetary Control and the Director of Internal Audits have outlined the scope of the audit that will comply with all local, state, and federal audit requirements. At its meeting on April 19th, the Audit Committee reviewed and approved the staff's recommendation for the minimum scope of the annual audit. A summary of the audit scope is attached.

Recommendation:

That based on the recommendation of the Audit Committee, the Board approve the minimum scope of the University's audit for the year ending June 30, 2001.

MINIMUM SCOPE OF THE ANNUAL AUDIT FOR THE YEAR ENDING JUNE 30, 2001

June 8, 2001

This document outlines the minimum scope of the annual audit of Morehead State University (MSU), and any applicable related entities, to be conducted by the University's auditors (the Firm) for the year ending June 30, 2001. Additional audit requirements and procedures may be added as situations warrant.

Internal Controls:

The audit will include a review and evaluation of the existing internal control structure. The evaluation will provide a basis for reliance thereon in determining the nature, timing and extent of selective audit tests to be applied to recorded transactions and data for certain periods of the year.

General Purpose Financial Statements:

The Firm will perform an audit of and issue its independent auditor's report on the balance sheet of MSU as of June 30, 2001 and the statements of changes in fund balances and current funds revenues, expenditures and other changes for the year then ending. The audit will be performed in accordance with generally accepted auditing standards and those principles and compliance requirements of the various accounting and auditing agencies, prescribed industry standards and governmental laws and regulations. The report will also include an independent auditor's report on supplemental information covering those supplemental schedules suggested to be reported on by the AICPA Audit Guide *Audits of Colleges and Universities*.

Federal Awards Programs:

The audit will include reporting on MSU's compliance with laws and regulations and the provisions of contracts and grant agreements and its internal controls as required by the Single Audit Act Amendments of 1996 and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. The audit of MSU's Federal Awards Programs will be performed in accordance with generally accepted auditing standards, *Government Auditing Standards*, issued by the Comptroller General of the United States, the Single Audit Act Amendments of 1996, and OMB Circular A-133.

The audit will include a review and evaluation of the internal control structure to provide a basis for reliance thereon in determining the nature, timing and extent of selective audit tests to be applied to recorded transactions and data for certain periods of the year. The audit will include tests of the accounting records of MSU and other procedures considered necessary by the Firm to enable the expression of an opinion and to render the required Single Audit Act reports.

Intercollegiate Athletics Department:

The Firm will perform certain agreed-upon procedures and issue a separate report covering the limited examination of the Intercollegiate Athletics Department and its related booster organization, for the year ending June 30, 2001. These procedures will be performed in accordance with the *NCAA Financial Audit Guidelines*, dated April 1989, or any subsequent revisions.

Corporation for Public Broadcasting (CPB):

The Firm will issue its independent auditor's report on the financial statements of WMKY for the year ending June 30, 2001. The audit will be performed in accordance with generally accepted auditing standards and the *Public Telecommunications Audit Guide and Requirements* as they relate to the CPB Annual Financial Report for the year ending June 30, 2001.

Compliance Report Under KRS 164A.550 to 164A.630:

The Firm will also issue a separate letter covering its study of MSU's internal accounting controls and administrative control procedures considered relevant to the criteria established by the Commonwealth of Kentucky Finance and Administration Cabinet as set forth in the Cabinet's *Minimum Audit Scope for Compliance*, dated August, 1983, or any subsequent revisions.

Kentucky Folk Art Center, Inc:

The Kentucky Folk Art Center, Inc. is a corporation affiliated with the University as defined in KRS 164A.610. As such, the financial statements of the Kentucky Folk Art Center, Inc. will be included in the scope of the audit, as appropriate.

Management Letter:

As required by generally accepted auditing standards (*Statement on Auditing Standards No. 60*), the Firm will prepare a letter of reportable conditions noted during the audit related to inherent weaknesses of controls, procedures, policies or noncompliance with governmental laws or regulations and suggest possible improvements. The Firm will comment and discuss those or other matters with the Associate Vice President for Fiscal Services, the Director of Accounting and Budgetary Control, Director of Internal Audits, the Vice President for Administration and Fiscal Services, the President and the University Board of Regents. The Firm also will submit ideas or observations that will help achieve the University's objectives or improve efficiency in operations. As required by the Commonwealth of Kentucky Auditor of Public Accounts, all such matters conveyed to management will be documented in writing to be forwarded to the Auditor of Public Accounts.

Recommendations to management will be in the format prescribed by the Auditor of Public Accounts. The Firm will document the resolution status of prior year recommendations.

Closing Package:

In accordance with the directive from the Commonwealth of Kentucky Auditor of Public Accounts, the Firm will provide a copy of the comprehensive financial statements and management letter to the Auditor of Public Accounts. In addition, a report issued under *Codification of Statements on Auditing Standards* AU 623.11 through 623.17 applicable to the "closing package" furnished by the University to the Finance and Administration Cabinet will be provided to the Auditor of Public Accounts by September 30, 2001. If requested by the Auditor of Public Accounts and approved by the University, all working papers prepared by the audit team will be made available for review.

Audit of Subsequent Events:

In accordance with the directive from the Auditor of Public Accounts, the Firm will update the audit procedures related to events subsequent to June 30, 2001 from the last day of field work (projected for late September, 2001) to a date to be directed by the Auditor of Public Accounts. The Firm will report the results of these updated procedures in a separate letter, which shall be delivered to the Auditor of Public Accounts no later than the date to be designated.

Timing of Reports:

1. Two copies of the audit report and management letter will be forwarded to the Auditor of Public Accounts no later than September 30, 2001. If desired, the Auditor of Public Accounts will be allowed access to all working papers in connection with this audit.
2. The report on MSU's financial statements is required to be delivered to the University by September 30, 2001.
3. The Firm will provide to the Auditor of Public Accounts by September 30, 2001 a confirmation of whether Agency Revenue Fund Receipts (per FAC Report 2151) and expenditures and transfers out for the General Fund and Agency Revenue Fund (per FAC Report 2120), were included in populations considered in the June 30, 2001 audit.
4. The Firm will provide a representation letter by September 30, 2001 to the Auditor of Public Accounts stating that the Firm is in compliance with generally accepted auditing standards and *Government Auditing Standards* concerning continuing education requirements, independence and peer review.
5. The Firm will notify the Auditor of Public Accounts of matters which come to its attention which may have a significant impact on the Commonwealth's financial statements.

**APPROVE CONTRACTS FOR
BANKING SERVICES**

**BOR (V-A-13)
June 8, 2001**

Background:

The University is required by KRS Chapters 41 and 164A to designate depository banks for all funds collected. The method of selection of the banks is set forth in the Kentucky Model Procurement Code, KRS Chapter 45A.

Using the guidelines for competitive-bidding of contracts in KRS Chapter 45A, bids for banking services were requested. As a result of that process, contracts were issued to Firststar Bank (formerly Trans Financial Bank) in Morehead for the main campus banking services, Firststar Bank in Prestonsburg for the banking services of the Big Sandy Extended Campus Center, and to the Commercial Bank in West Liberty for the Licking Valley Extended Campus Center.

These contracts covered the period from July 1, 1997 to June 30, 1998 with options to renew the contracts for four additional one-year periods. The services rendered have been in compliance with the terms of the contracts.

Bids were also requested for banking services for the Ashland Extended Campus Center. However, no bids were received from the Ashland banks. In the absence of the ability to establish a contract, the University requested bids for establishing a money market account for the Ashland Extended Campus Center. An account was established at the National City Bank for a one-year period beginning July 1, 1998 with the option to extend the account for three additional one-year periods.

Since the 2001-02 fiscal year is the last period in the renewal provisions of the contracts, new banks will need to be selected for the fiscal year beginning July 1, 2002. That process, as outlined above, will begin in January 2002.

Recommendation:

That the Board exercise the option to renew the banking services contracts for the period July 1, 2001 – June 30, 2002, with Firststar Bank of Morehead for the main campus banking, Firststar Bank of Prestonsburg for the Big Sandy Extended Campus Center banking, and the Commercial Bank of West Liberty for the Licking Valley Extended Campus Center, and that the Board exercise the option to continue the money market account at National City Bank for the Ashland Extended Campus Center.

**APPROVE AMENDMENT TO
THE MANDATORY HOUSING
AND DINING POLICY**

**BOR (V-A-14)
June 8, 2001**

Background

On April 30, 1993, the Board of Regents approved a policy related to student housing and dining requirements. The policy was implemented for the 1994 fall semester.

The policy provides that full-time students who have earned fewer than 60 semester credit hours are required to live in University housing. In addition, those students are required to enroll each semester in a minimum \$300 dining club plan.

National studies at that time had shown that students who lived in residence halls made better grades, maintained continuous enrollment, graduated sooner, and were more involved with university life than student who lived off campus. Dining programs have proven to be complimentary to campus residency programs. Ensuring the availability of nutritious meals at an economical cost per meal adds to the students opportunity for success and provides parents with an additional degree of comfort.

The required housing residency can be waived under the following circumstances:

- Students who will be at least 21 years of age during the semester of enrollment
- Single parents
- Married students
- Students commuting from their parent's/guardian's permanent residence
- Students who have documented medical needs
- Students who are veterans of military service

In addition, the dining plan requirements may be waived for students who have medically documented dietary needs that cannot be met in the dining services program.

Analysis

The buy-in level for the mandatory dining club requirement has not been changed since its inception in 1994. Students subject to the housing and dining policy must deposit \$300 per semester into the plan. The plan is very generous in provisions for carryover of funds from semester-to-semester when compared to mandatory programs of other universities. Unused funds carry over each semester until the student has earned 60 credit hours. At that time, an accounting is conducted and the student is granted one additional semester to spend the money in the account. After that one semester grace period, the money lapses and is forwarded to the dining service contractor. Lapsed funds have averaged only about \$3,000 per year.

Summary of Meal Plan Programs
Kentucky Universities
February 4, 2000

	Effective Fall 2002	Yes	Yes	Yes	Yes	Yes	Yes	No-under consideration
Mandatory Meal Plan	N/A	Plan applies to all residence hall students.	All residence hall students having 60 or fewer credit hours.	All freshman & sophomore students who live on campus.	All resident students except those living in apartments.	All residence hall students.	All 1st year residence hall students.	N/A
Type of Mandatory Plan	N/A	Declining balance	Declining balance	Meal plan	Meal plan	Declining balance	Declining balance	N/A
Amount of Mandatory Plan	N/A	\$935 per semester	\$300 per semester	\$470-\$1,090/semester	\$800-\$895/semester	\$675/semester	\$700/semester	N/A
Carry Over of Mandatory Plan	N/A	Lapse at end of each semester	Balances carry forward until student earns 60 credit hours. The student then has one additional semester to spend. Balance will lapse at that point.	No carry over from semester to semester.	No carry over from semester to semester.	Maximum of \$50 carry over from fall to spring. Balance will lapse at the end of spring.	Balance carries over from fall to spring. Balance will lapse at the end of spring.	N/A
Optional Meal Plan	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes
Meal Plan Available	N/A	N/A	\$899 with \$100 flex dollars N/A	N/A \$1,090 with no flex dollars	N/A \$850 with no flex dollars	N/A	N/A	N/A \$845 with no flex dollars
19 meals per week with flex dollars	\$995 with \$150 flex dollars	N/A	\$859 with \$150 flex dollars	N/A	N/A	N/A	N/A	N/A
19 meals per week without flex dollars	\$920 with no flex dollars		\$819 with no flex dollars	\$1,020 with no flex dollars	\$800 with no flex dollars			\$829 with no flex dollars
15 meals per week with flex dollars	\$855 with \$200 flex dollars	N/A	\$819 with \$200 flex dollars	N/A	N/A	N/A	N/A	\$781 with \$150 flex dollars
10 meals per week without flex dollars	\$755 with no flex dollars		\$749 with no flex dollars	\$910 with no flex dollars	\$750 with no flex dollars			\$647 with no flex dollars

* Schools have other meal plans available. These plans are the most prevalent and comparable among schools.

APPROVE LAND ACQUISITIONS RELATED TO THE EXPANSION AND RENOVATION OF THE STUDENT CENTER

BOR (V-A-15)
June 8, 2001

Background:

Phase I of the Adron Doran University Student Center (ADUC) Expansion and Renovation Project was approved in the 2000-2002 Budget of the Commonwealth. Ten million dollars was appropriated for the initial phase. The architectural firm of Sherman-Carter-Barnhart Partners in Architecture (the same firm that designed Breckinridge Hall's expansion and renovation project) was selected and appointed by the Finance and Administration Cabinet as the primary design consultant for the project.

In the initial design phase, the architects were authorized to develop and recommend concepts and plans for the entire project. Phase A program design began in January 2001 and recommendations have been made regarding the project. As proposed, the project will result in the construction of approximately 55,5000 gross square feet of new Student Center space, the renovation and realignment of existing space, land acquisition and site development to include vehicular and pedestrian traffic flow. The attached drawings depict the proposed Student Center expansion plan.

Phase I of the project will result in the addition of 19,543 square feet, new entry and vertical circulation, ADA access, interior aesthetics improvement and priority space expansions. Within each area, the scope of work is prioritized by state and/or federal building code requirements. The new space constructed in Phase I would be added to the north (main entrance areas) of the building. A new building façade is planned. Land acquisition and site development will also occur in the first phase of the project.

Phase II will add an additional 36,000 square feet of space to include an auditorium and additional food service and meeting areas. Renovation, modeling and realignment of existing space will continue. Site development will also continue to potentially include additional land acquisition.

Land Acquisitions

The architect's site development recommendation in Phase I will require the acquisition of at least four private properties located immediately east of ADUC. Three of the properties lie within the boundaries of the approved Campus Master Plan and are located between Second Street and University Street (both City of Morehead public streets) whose addresses are:

230 University Street – Owned by Mrs. Pat Needham
236 University Street – Owned by the Assembly of God
231 East Second Street – Owned by Mr. and Mrs. Gerald McDaniel

The fourth parcel recommended for acquisition is the Hogge Building. The Hogge Building is located south of Second Street on the corner of Second and Normal Avenue and is about 30 feet from the south east corner of the Student Center. The two-story office building contains 10,328 gross square feet of space and is situated on a 15,960 square foot tract. Approximately 30

parking spaces are available on the property. The building was constructed in the 1970's and has various public and private tenants.

The tract is not in the approved Campus Master Plan. Approval of the recommendation to acquire the Hogge Building would effectively amend the Campus Master Plan.

Acquisition of the Hogge Building has been recommended by the architect for two reasons. The facility would be of significant importance and use to the University during the Student Center project. Various Student Center offices and services would be temporarily relocated to the Hogge Building, to possibly include the bookstore, meeting and student government offices. Use of the building would allow the University to continue to provide space for various student services and activities with minimal disruption during construction. The site would also, at least temporarily, offset some of the parking spaces lost during the final construction phase.

The owners of the three properties identified above, whose property lies within the boundaries of the Campus Master Plan, have been advised of the University's need for their property related to the Student Center project. Appraisals have been obtained and formal offer letters have been extended. The owner of the Hogge Building has also been advised of our interest in her building, but current appraisals have not been obtained.

In addition to these four properties, the proposed northward expansion of the Student Center will require that a portion of University Street running directly in front of the Student Center be obtained. The Mayor of the City of Morehead has been advised of our need to obtain this portion of the street related to the project. The University will insure that the private property owners remaining along University Street will have continued access to their properties. Traffic patterns and flow will be addressed as part of the project and in conjunction with the City.

The project, when completed, will create a pedestrian plaza northeast of the Center and a new vehicular connection from University Boulevard to University Street and Second Street.

Parking Garage

Once the \$20 million Student Center project is completed, it is proposed that the Hogge Building property become the site for a parking garage. A garage will be needed to add parking spaces to the central campus area for ease of access to classroom, offices and services by students, faculty, staff and visitors. Construction of a parking garage has been identified as a future project in the University's Six-Year Capital Plan and will subsequently be requested in our 2002-2004 Capital Request to the Council on Postsecondary Education. Construction of a parking garage will require the issuance of agency bonds.

Land Acquisition Strategies and Policies

In accordance with University policy related to real property management, the President may initiate the acquisition of real property included in the approved Campus Master Plan. Property not identified in the Campus Master Plan may be acquired when approved by the Board.

If the property value exceeds \$100,000 the University must obtain two appraisals from certified professional appraisers. All of the tracts mentioned will exceed the \$100,000 threshold.

Past land purchases by the University have often occurred over a lengthy period to allow for a negotiated price consistent with the appraised value of the property and the owners desired selling price. Every effort will again be made to achieve a successful purchase within the bounds established by state real property procurement laws. Should negotiations to acquire the individual tracts not be successful, the University may implement the Eminent Domain provisions of KRS 416.550-670 to acquire the properties. If this occurs, the University may consider the costs associated with an action utilizing the powers of Eminent Domain when determining a final acquisition offer.

At this point, the earlier letters of offer have been verbally rejected or have not been responded to. Another offer letter will be sent via certified mail, if necessary.

It is recommended that the Board authorize acquisition of the properties via the Eminent Domain provisions of KRS 416.550-670 if negotiations are unsuccessful.

Property Descriptions and Detail

PROPERTY LOCATION	OWNER(S)	APPRAISAL PRICE	OFFER PRICE
230 University Street	Mrs. Pat Needham	\$154,000	\$154,000
Property Description: The property is .22 acre +/- with a 1,920 SF 2-story brick structure with a 1-story Florida room addition on the rear.			

- The property lies within the boundaries of the Approved Campus Master Plan.
- In accordance with state procurement regulations, two independent appraisals have been obtained.
- The appraisal process has established the value of the property to be \$154,000.

PROPERTY LOCATION	OWNER(S)	APPRAISED VALUE	OFFER PRICE
236 University Street	Assembly of God	\$130,000	\$130,000
Property Description: The property is .17 acre +/- with a 1 & 2-story vinyl sided structure that contains a total of 2,542 SF of finished space.			

- The property lies within the boundaries of the Approved Campus Master Plan.
- The University has attempted to acquire this tract in the past.
- In accordance with state procurement regulations, two recent independent appraisals have been obtained.
- The appraisal process has established the value of the property to be \$130,000.00.

PROPERTY LOCATION	OWNER(S)	APPRAISED VALUE	OFFER PRICE
231 E. Second Street	Gerald & Bonnie McDaniel	\$135,000	\$135,000
Property Description: The property is .24 acre +/- with a 2-story vinyl sided structure which contains a total of 2,630 SF of finished space. The structure contains three one or two bedroom apartments.			

- The property lies within the boundaries of the Approved Campus Master Plan.

- In accordance with state procurement regulations, two recent independent appraisals have been obtained.
- The University has unsuccessfully attempted to acquire this tract in the past.
- The appraisal process has established the value of the property to be \$135000.

PROPERTY LOCATION	OWNER(S)	1999 APPRAISED VALUE	OFFER PRICE
120 Normal Avenue	Mrs. Norma Hogge	\$350,000	N/A
Property Description: The property is 15,960 SF with a 2-story brick sided structure which contains a total of 10,328 SF of finished space. The structure is presently used as office space. Subject appears to be in average overall condition.			

- The property is not located in the Approved Campus Master Plan
- The property was appraised in 1998 and 1999.
- New appraisals will be obtained.
- The tract will be used as offices and possibly the bookstore or other program relocations during the expansion and renovation of the Student Center.
- Upon completion of the Student Center project a parking garage would be constructed on the site.

Other properties along the south side of Second East, east of the Hogge Building may be needed for future growth and development.

Recommendation:

That the Board of Regents approve the orders authorizing and directing the acquisition of property located at 230 University Street, 236 University Street and 231 East Second Street, Rowan County, Kentucky by Eminent Domain Proceedings if necessary.

AN ORDER BY THE BOARD OF REGENTS
OF
MOREHEAD STATE UNIVERSITY
AUTHORIZING AND DIRECTING
THE ACQUISITION OF PROPERTY
LOCATED AT

230 UNIVERSITY STREET, ROWAN COUNTY, KENTUCKY

FOR THE USE AND BENEFIT OF MOREHEAD STATE UNIVERSITY
BY EMINENT DOMAIN PROCEEDINGS

WHEREAS, the 2000 Kentucky General Assembly authorized and appropriated funds for the Expansion and Renovation of the Student Center Project - Phase I - on the campus of Morehead State University; and,

WHEREAS, the Expansion and Renovation of the Student Center Project will be of benefit to current and future students of Morehead State University; and

WHEREAS, Morehead State University has developed a Campus Master Plan for the long range development of the campus; and

WHEREAS, funds are available in the Expansion and Renovation of the Student Center Project - Phase I - for land acquisition related to the Project's development; and

WHEREAS, Morehead State University has obtained appraisals and extended purchase offers to the respective owners of the three properties;

BE IT RESOLVED, that the Morehead State University Board of Regents authorizes the President, or his agents, to acquire the aforementioned property through the current appraisal and negotiation process, and failing to reach agreement, shall acquire the property in accordance with the provisions of KRS 416.560, of the Eminent Domain Act of Kentucky, and as authorized by Chapters 45A and 56 of the Kentucky Revised Statutes.

June 8, 2001

President
Morehead State University

Chair, Board of Regents
Morehead State University

Secretary, Board of Regents
Morehead State University

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AN ORDER BY THE BOARD OF REGENTS
OF
MOREHEAD STATE UNIVERSITY
AUTHORIZING AND DIRECTING
THE ACQUISITION OF PROPERTY
LOCATED AT

236 UNIVERSITY STREET, ROWAN COUNTY, KENTUCKY

FOR THE USE AND BENEFIT OF MOREHEAD STATE UNIVERSITY
BY EMINENT DOMAIN PROCEEDINGS

WHEREAS, the 2000 Kentucky General Assembly authorized and appropriated funds for the Expansion and Renovation of the Student Center Project - Phase I - on the campus of Morehead State University; and,

WHEREAS, the Expansion and Renovation of the Student Center Project will be of benefit to current and future students of Morehead State University; and

WHEREAS, Morehead State University has developed a Campus Master Plan for the long range development of the campus; and

WHEREAS, funds are available in the Expansion and Renovation of the Student Center Project - Phase I - for land acquisition related to the Project's development; and

WHEREAS, Morehead State University has obtained appraisals and extended purchase offers to the respective owners of the three properties;

BE IT RESOLVED, that the Morehead State University Board of Regents authorizes the President, or his agents, to acquire the aforementioned property through the current appraisal and negotiation process, and failing to reach agreement, shall acquire the property in accordance with the provisions of KRS 416.560, of the Eminent Domain Act of Kentucky, and as authorized by Chapters 45A and 56 of the Kentucky Revised Statutes.

June 8, 2001

President
Morehead State University

Chair, Board of Regents
Morehead State University

Secretary, Board of Regents
Morehead State University

AN ORDER BY THE BOARD OF REGENTS
OF
MOREHEAD STATE UNIVERSITY
AUTHORIZING AND DIRECTING
THE ACQUISITION OF PROPERTY
LOCATED AT

231 EAST SECOND STREET, ROWAN COUNTY, KENTUCKY

FOR THE USE AND BENEFIT OF MOREHEAD STATE UNIVERSITY
BY EMINENT DOMAIN PROCEEDINGS

WHEREAS, the 2000 Kentucky General Assembly authorized and appropriated funds for the Expansion and Renovation of the Student Center Project - Phase I - on the campus of Morehead State University; and,

WHEREAS, the Expansion and Renovation of the Student Center Project will be of benefit to current and future students of Morehead State University; and

WHEREAS, Morehead State University has developed a Campus Master Plan for the long range development of the campus; and

WHEREAS, funds are available in the Expansion and Renovation of the Student Center Project - Phase I - for land acquisition related to the Project's development; and

WHEREAS, Morehead State University has obtained appraisals and extended purchase offers to the respective owners of the three properties;

BE IT RESOLVED, that the Morehead State University Board of Regents authorizes the President, or his agents, to acquire the aforementioned property through the current appraisal and negotiation process, and failing to reach agreement, shall acquire the property in accordance with the provisions of KRS 416.560, of the Eminent Domain Act of Kentucky, and as authorized by Chapters 45A and 56 of the Kentucky Revised Statutes.

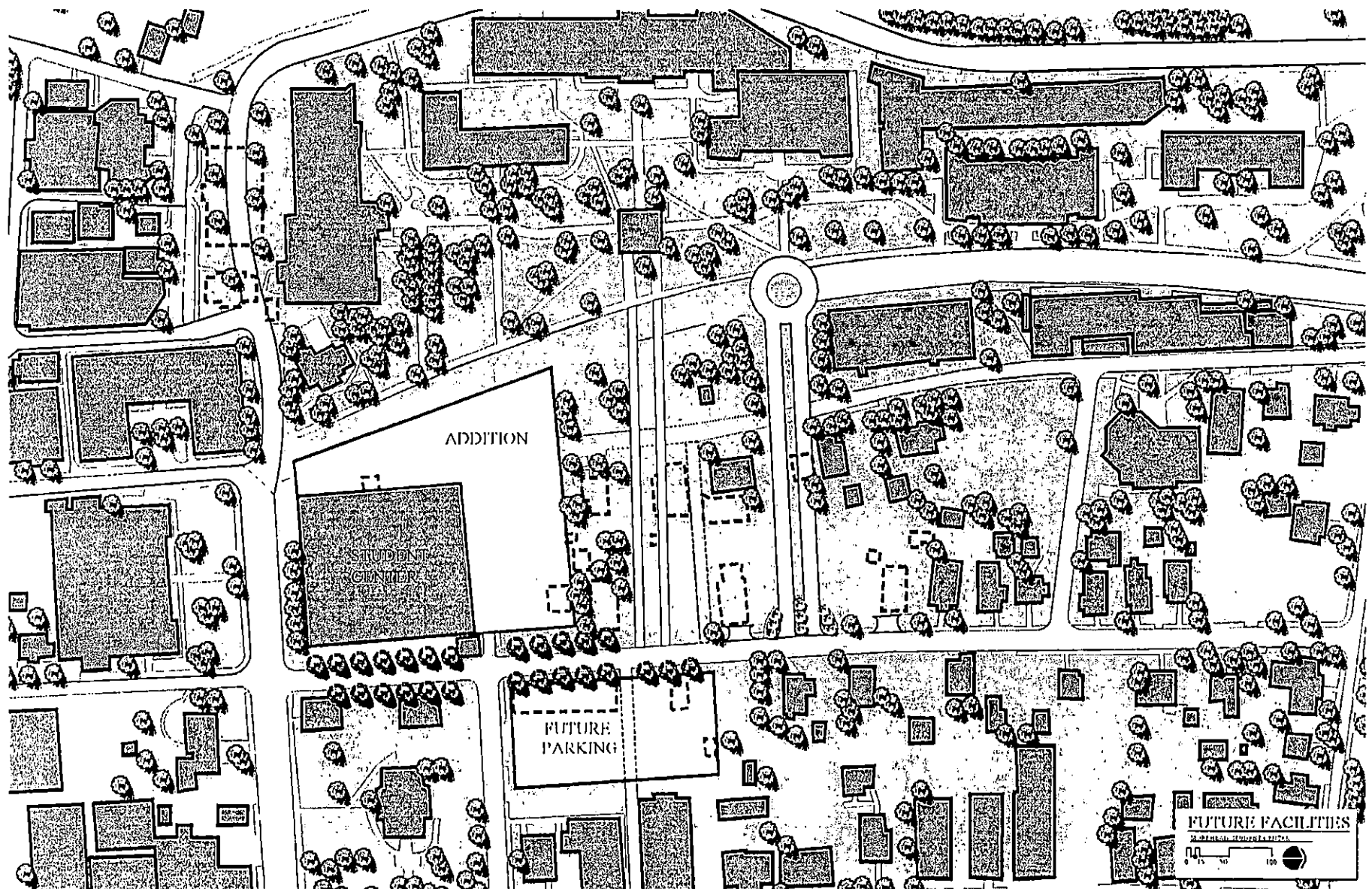
June 8, 2001

President
Morehead State University

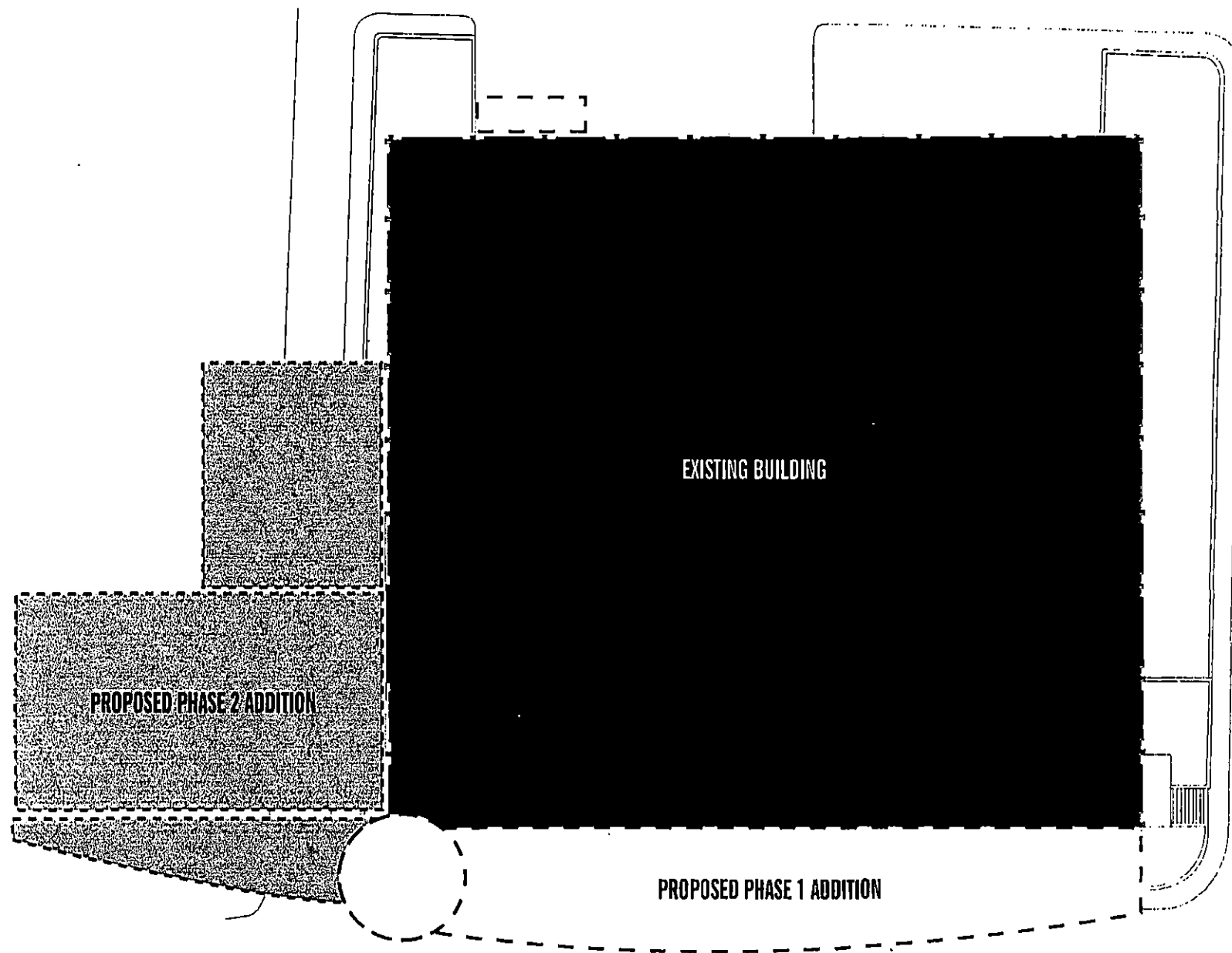
Chair, Board of Regents
Morehead State University

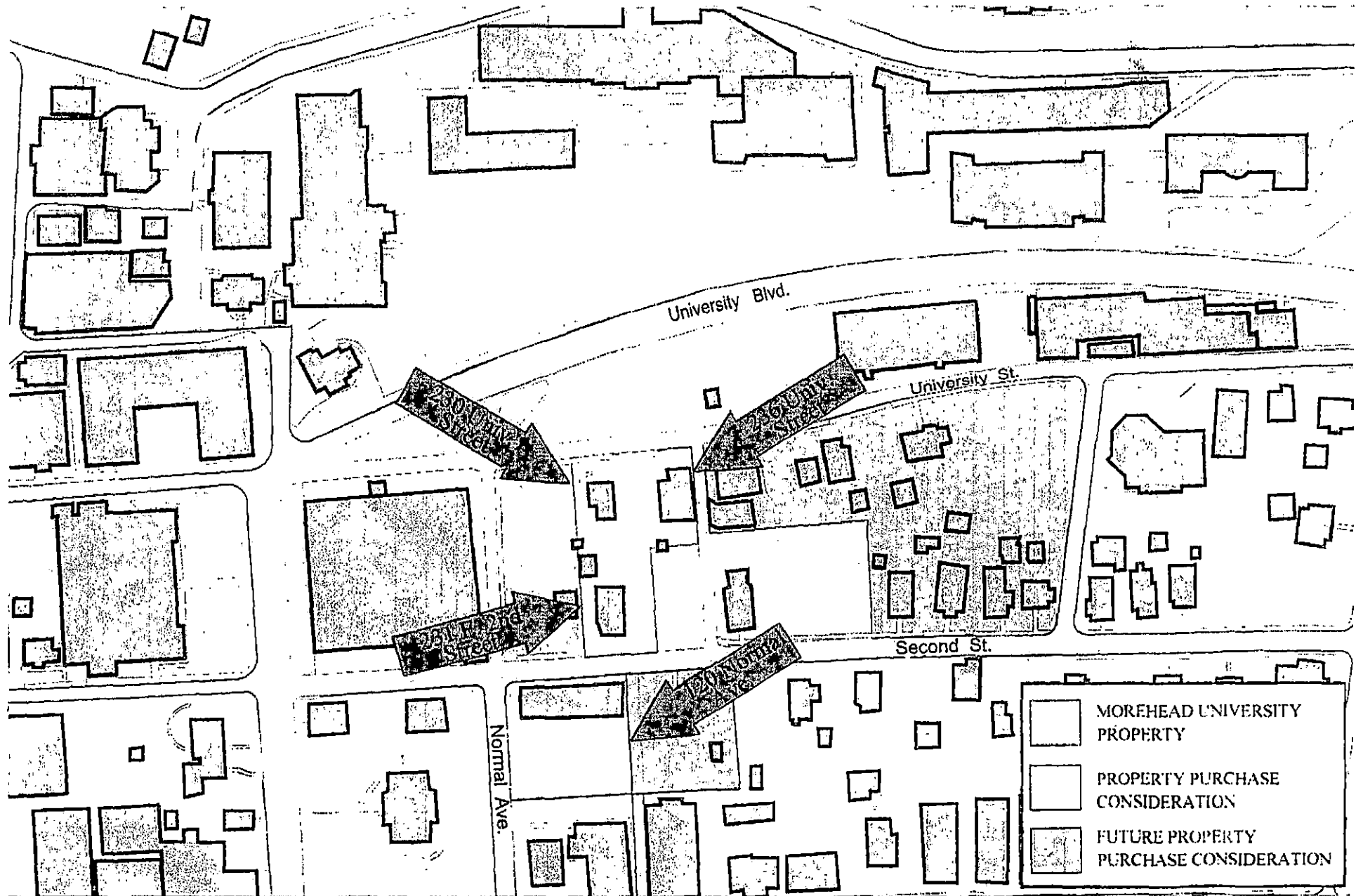
Secretary, Board of Regents
Morehead State University

CAMPUS MASTERPLAN



PROPOSED SITE DIAGRAM





Steven Carter-Barnhart
 LANDSCAPE ARCHITECT
 1000 UNIVERSITY BLVD. SUITE 100
 MOREHEAD, KY 40341-0100
 606/785-1234

**RESOLUTION AUTHORIZING THE SALE
OF HOUSING AND DINING SYSTEM REVENUE
BONDS, SERIES P**

**BOR (V-A-16)
June 8, 2001**

Background:

Phase III of the residence hall fire sprinkler project will be completed during the summer of 2001. This current project involves installation of sprinklers in West Mignon Hall and East Mignon Hall, and has a scope of \$1,082,850.

In addition to the sprinkler projects, a new 28-unit Lakewood Terrace Family Housing Complex will be constructed. The scope of that project is \$3,516,679.

Both of the above projects are to be funded with proceeds of Morehead State University Housing and Dining System Revenue Bonds, Series P. The Associate Vice-President for Fiscal Services has been working with the financial advisor appointed by the state, J.J.B Hilliard-W.L.Lyons, Inc. of Louisville, and bond counsel Peck, Shaffer and Williams of Covington to prepare the estimates and documents needed for the bond sale. After adding costs of issuance, debt service reserve, and other costs to the combined project scopes of \$4,599,259, the issue will amount to \$5,140,000. Amortized over 20 years at a projected net interest cost near 5%, the annual debt service is estimated to be approximately \$398,000. Provision for the debt service has been made in the 2001-02 operating budget.

The bond sale has been scheduled for July 11, 2001. As has been the case in previous bond sales, the Chair of the Board may appoint a committee of Board members to act on behalf of the Board. The committee will meet on the day of the sale to review and accept bids for the bond sale. The full Board can then ratify the actions of the committee at its first regular meeting following the bond sale. The appointment of a committee will eliminate the need for a special meeting of the full Board to transact the bond sale.

Peck, Shaffer and Williams has prepared the Series P resolution, Notice of Bond Sale, Official Terms and Conditions of Sale of Bonds, and Bid Form necessary for the sale of the bonds. Samples of those documents are presented for the Board's consideration.

Recommendation:

That the Board adopt:

A RESOLUTION OF THE BOARD OF REGENTS OF MOREHEAD STATE UNIVERSITY AUTHORIZING THE ISSUANCE OF SAID BOARD'S HOUSING AND DINING SYSTEM REVENUE BONDS, SERIES P, TO BE DATED THE FIRST DAY OF THE MONTH IN WHICH SOLD; AUTHORIZING PROPER PROCEEDINGS RELATIVE TO THE PUBLIC SALE OF THE BONDS AND THE DISPOSITION OF THE PROCEEDS THEREOF; AUTHORIZING EXECUTION OF A SEVENTH SUPPLEMENTAL TRUST INDENTURE BETWEEN THE BOARD AND CENTRAL BANK AND TRUST COMPANY, LEXINGTON, KENTUCKY, AS

TRUSTEE, IN COMPLIANCE WITH THE PROVISIONS OF THE TRUST
INDENTURE DATED NOVEMBER 1, 1966.

And that:

- (A) The forms of Notice of Bond Sale, Official Terms and Conditions of the Sale of Bonds, and Bid Form be approved and a copy of each be placed by the Secretary in the official record of the Board;
- (B) The Board authorize the publication of the Notice of Bond Sale in accordance with Chapter 424 of the Kentucky Revised Statutes and the Financial Advisor be authorized to disseminate copies of the Official Statement; and
- (C) Sealed bids for the purchase of the Series P bonds be opened on such date and time as designated by the Vice President for Administration and Fiscal Services, whereupon there is herewith appointed a special committee of the Board which shall, by resolution, accept on such date the lowest and best bid as recommended by Hilliard-Lyons, the Financial Advisor to the Board.

A RESOLUTION OF THE BOARD OF REGENTS OF MOREHEAD STATE UNIVERSITY AUTHORIZING THE ISSUANCE OF SAID BOARD'S HOUSING AND DINING SYSTEM REVENUE BONDS, SERIES P, TO BE DATED THE FIRST DAY OF THE MONTH IN WHICH SOLD; AUTHORIZING PROPER PROCEEDINGS RELATIVE TO THE PUBLIC SALE OF THE BONDS AND THE DISPOSITION OF THE PROCEEDS THEREOF; AUTHORIZING EXECUTION OF A SEVENTH SUPPLEMENTAL TRUST INDENTURE BETWEEN THE BOARD AND CENTRAL BANK AND TRUST COMPANY, LEXINGTON, KENTUCKY, AS TRUSTEE, IN COMPLIANCE WITH THE PROVISIONS OF THE TRUST INDENTURE DATED NOVEMBER 1, 1966.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF REGENTS OF MOREHEAD STATE UNIVERSITY, AS FOLLOWS:

Section 1. This Board hereby authorizes the issuance of its "Morehead State University Housing and Dining System Revenue Bonds, Series P (the "Series P Bonds")", in the principal amount of approximately \$5,140,000, subject to adjustment of plus or minus ten percent, according to statutory authority as set forth in KRS 162.340 to 162.380, inclusive, and in accordance with the terms, provisions, conditions and restrictions set forth in that certain Trust Indenture which was made by this Board with Pikeville National Bank & Trust Company, Pikeville, Kentucky, as Trustee under date of November 1, 1966, wherein the present Housing and Dining System of the University was created and established, and a certain Seventh Supplemental Trust Indenture to be dated as of the date of the Series P Bonds (the "Seventh Supplemental Trust Indenture"); the Series P Bonds to rank on a basis of parity and equality as to security and source of payment with the Board's previously issued and outstanding "Housing and Dining System Revenue Bonds," Series D, E, F, G, H, I, K, L, M, N and O (the "Outstanding Bonds").

Section 2. In order to assure the purchasers of the Series P Bonds that interest thereon will be excludable from gross income for federal income tax purposes and exempt from Kentucky income taxation, the Board agrees that (1) the Board will take all actions necessary to comply with the provisions of the Internal Revenue Code of 1986 (the "Code"), (2) the Board will take no actions which will violate any of the provisions of the Code, or that would cause the Series P Bonds to become "private activity bonds" within the meaning of the Code, (3) none of the proceeds of the Series P Bonds will be used for any purpose which would cause the interest on the Series P Bonds to become subject to federal income taxation, and that the Board will comply with any and all requirements as to rebate (and reports with reference thereto) to the United States of America of certain investment earnings on the proceeds of the Series P Bonds.

The Board has been advised by Bond Counsel, Peck, Shaffer & Williams LLP, Covington, Kentucky, and therefore believes, that the Series P Bonds are not "private activity bonds" within the meaning of the Code, and that interest on the Series P Bonds is not included as an item of tax preference in calculating the alternative minimum tax for individuals.

The Board, including all subordinate entities thereof, does not reasonably anticipate issuing tax exempt obligations during the calendar year in which the Series P Bonds are being issued in excess of \$10,000,000, and, therefore, the Board designates the Series P Bonds as "qualified tax-exempt obligations" for investment by financial institutions pursuant to the provisions of Section 265(b)(3) of the Code.

Prior to or at the time of delivery of the Series P Bonds, the Chairman of the Board and/or the chief financial officer of the University shall execute the appropriate certifications with reference to the matters referred to above, setting out all known and contemplated facts concerning such anticipated expenditures and investments, including the execution of necessary and/or desirable certifications of the type contemplated by applicable Treasury Regulations in order to assure that interest on the Series P Bonds will be exempt from all federal income taxes and that the Series P Bonds will not be treated as arbitrage bonds.

Section 3. The Board hereby agrees, to comply with the provisions of Rule 15c2-12, as amended and interpreted from time to time (the "Rule"), promulgated by the Securities and Exchange Commission (the "Commission") pursuant to the Securities Exchange Act of 1934. In order to comply with the Rule, the Continuing Disclosure Agreement dated the dated date for the Series P Bonds between the Board and the Trustee is hereby authorized and approved, substantially in the form presented or described to the Board, with such modifications and additions as may be approved by the officer of the University executing the same. The Chairman and the Secretary of the Board and the President and Treasurer of the University are each separately authorized to execute and deliver the Continuing Disclosure Agreement.

Section 4. In order to implement the issuance of the Series P Bonds, and to make provision for all details relating to the Series P Bonds, including the date thereof, the disposition thereof, respective conditions and limitations applicable to the public offering thereof, maturities, redemption provisions and security and source of payment thereof, and in order to comply with the requirements of the Indenture, in connection therewith, this Board shall execute the Seventh Supplemental Trust Indenture with Central Bank and Trust Company, Lexington, Kentucky, as Trustee. A proposed form of Seventh Supplemental Trust Indenture has been prepared in advance by Bond Counsel, Peck, Shaffer & Williams LLP, Covington, Kentucky, with the approval of the President of the University and the Vice-President for Fiscal Services of the University, and the Financial Advisor, J.J.B. Hilliard, W.L. Lyons, Inc., in the usual and customary form prescribed in the Indenture, with permissible modifications and corrections which, in the opinion of Bond Counsel and the President of the University, do not change the import thereof in any material respect. The form of the Seventh Supplemental Trust Indenture is hereby approved and shall be executed by the Chairman and attested by the Secretary of the Board.

Section 5. The forms of Notice of Bond Sale, Official Terms and Conditions of Sale of Bonds, Bid Form and Official Statement, shall be in such form as approved by Bond Counsel, by the Financial Advisors and by the President or Treasurer of the University.

The Board authorizes the publication of the Notice of Bond sale in accordance with Chapter 424 of the Kentucky Revised Statutes and the Financial Advisors are authorized to disseminate copies of the Official Statement. The President of the University and any other officer of the Board are each further authorized to deem the Official Statement, in both preliminary and final form, to be "final" for purposes of Securities and Exchange Commission Rule 15c2-12.

Sealed bids for the purchase of the Series P Bonds be opened and considered by the President of the University on such date and at such time as designated by the President, whereupon a committee as may be appointed by the Chairman, shall accept on such date the lowest and best bid for the Series P Bonds as recommended by J.J.B. Hilliard, W.L. Lyons, Inc., the Financial Advisor to the Board.

Dated: June 8, 2001

(SEAL)

Chairman

Secretary

CERTIFICATE OF SECRETARY

The undersigned Secretary of the Board of Regents of Morehead State University, Richmond, Kentucky, hereby certifies that the foregoing Resolution was adopted by the Board of Regents at its meeting held on June 8, 2001, and has been duly recorded in the official minutes and records of this Board of Regents.

Witness my signature this _____ day of _____, 2001.

Secretary, Board of Regents

NOTICE OF SALE OF BONDS

\$5,140,000
MOREHEAD STATE UNIVERSITY
HOUSING AND DINING SYSTEM REVENUE BONDS
SERIES P
DATED JULY 1, 2001

The Board of Regents of Morehead State University, Morehead, Kentucky, will until 11:00 A.M., E.D.T., on July 11, 2001 at the office of the President of the University in Morehead, Kentucky, receive bids on \$5,140,000 of Morehead State University Housing and Dining System Revenue Bonds, Series P, dated July 1, 2001, maturing on November 1, 2001 through 2020. Minimum bid is \$5,037,200 (98%). The good faith deposit is \$102,800. Legal Opinion by Peck, Shaffer & Williams LLP, Covington, Kentucky. The Bonds will be issued on a tax-exempt basis subject to certain qualifications set out in detail in the Official Terms and Conditions of Sale of Bonds and in the Preliminary Official Statement. Bid Forms and Official Terms and Conditions of Sale of Bonds may be obtained from the Financial Advisor, J.J.B. Hilliard, W.L. Lyons, Inc., Hilliard Lyons Center, 501 South Fourth Avenue, Louisville, Kentucky, (502) 588-8473 (Mr. Sam Conner).

Right to reject bids and to waive defects or informalities is expressly reserved.

/s/ Carol Johnson
Secretary, Board of Regents,
Morehead State University

OFFICIAL TERMS AND CONDITIONS OF BOND SALE

Re: Morehead State University Housing and Dining System Revenue Bonds, Series P, dated July 1, 2001, in the principal amount of \$5,140,000*

DATE AND HOUR OF SALE

The President of Morehead State University, Morehead, Kentucky will until 11:00 A.M. E.D.T., July 11, 2001, in the office of the President of the University in Morehead, Kentucky, receive competitive, sealed bids for the purchase of \$5,140,000* of Morehead State University Housing and Dining System Revenue Bonds, Series P, dated July 1, 2001.

DESCRIPTION AND MATURITIES OF BONDS

The Series P Bonds bear interest from July 1, 2001, payable semiannually, on November 1 and May 1, commencing November 1, 2001, will be in the denomination of \$5,000 or any multiple thereof within the same maturity, are numbered R-1 and upward, and will mature and/or be subject to mandatory redemption on November 1 on each of the respective years, as follows:

<u>Maturity</u> <u>November 1</u>	<u>Amount*</u>	<u>Maturity</u> <u>November 1</u>	<u>Amount*</u>
2001	\$205,000	2011	\$245,000
2002	175,000	2012	260,000
2003	180,000	2013	270,000
2004	185,000	2014	285,000
2005	195,000	2015	300,000
2006	200,000	2016	315,000
2007	210,000	2017	330,000
2008	215,000	2018	350,000
2009	225,000	2019	370,000
2010	235,000	2020	390,000

*The principal maturities are subject to change as provided in the Seventh Supplemental Trust Indenture pursuant to which the Series P Bonds will be issued.

The Depository Trust Company ("DTC"), New York, New York, will act as securities depository for the Series P Bonds. The Series P Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee). One fully-registered Series P Bond certificate will be issued for each maturity of the Series P Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

Purchases of the Series P Bonds under the DTC system must be made by or through securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations (the "Direct Participants"), which will receive a credit for the Series P Bonds on DTC's records. The ownership interest of each actual purchaser of each Series P Bond (a "Beneficial Owner") is in turn to be recorded on the records of Direct Participants or securities

*Preliminary, subject to change.

brokers and dealers, banks, and trust companies that clear through or maintain a custodial relationship with a Direct Participant (the "Indirect Participants"). Beneficial Owners will not receive written confirmation from DTC of their purchase, but Beneficial Owners are expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Series P Bonds are to be accomplished by entries made on the books of Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Series P Bonds, except in the event that use of the book-entry system for the Series P Bonds is discontinued.

The Series P Bonds shall be lettered and numbered from R-1 upward, or such numbering shall be made in such other appropriate manner as may be determined by the Trustee.

The person in whose name any Series P Bond is registered on the Record Date (April 15 or October 15) with respect to an interest payment date shall be entitled to receive the interest payable on such interest payment date (unless such Bond shall have been duly called for redemption on a redemption date which is prior to such interest payment date).

With respect to the Series P Bonds, the Board has reserved certain options or privileges of redemption, as follows:

Series P Bonds shall be subject to redemption from the proceeds of insurance, in the event of damage or destruction of properties constituting parts of the Housing System, as provided in the Trust Indenture;

The Board reserves the right to call for redemption, subject to the redemption provisions of the respective Bond Series, any and all outstanding Series P Bonds which may be called and redeemed at par or face value, prior to calling for redemption any Series P Bonds that are callable at a premium;

The Series P Bonds maturing on and after November 1, 2012, shall be subject to redemption by the Board prior to maturity, in whole or in part, in the inverse order of their maturities (less than all of a single maturity to be selected by lot), on any date, on or after November 1, 2011, at a redemption price equal to the principal amount of the Series P Bonds called for redemption, plus unpaid interest accrued to the date of redemption, without premium.

If a Series P Bond subject to redemption is in a denomination larger than \$5,000, a portion of such Series P Bond may be redeemed, but only in a principal amount equal to \$5,000 or any integral multiple thereof, if such Series P Bond is one of the maturities or amounts or part of the maturities or amounts called for redemption. Upon surrender of any Series P Bond for redemption in part, the Trustee shall (authenticate and) deliver an exchange Series P Bond or Series P Bonds in an aggregate principal amount equal to the unredeemed portion of the bond so surrendered.

The Trustee shall give notice of any redemption by sending at least one such notice by first class mail not less than thirty (30) and not more than sixty (60) days prior to the date fixed for redemption to the registered owner of each Series P Bond to be redeemed in whole or in part at the address shown on the Bond Register as of the date of mailing such notice; and interest on such Series P Bonds or portions thereof shall cease to accrue after the redemption date.

AUTHORITY AND PURPOSE

These Series P Bonds are being issued pursuant to the authority of Sections 162.340 through 162.380, inclusive, and 58.010 through 58.140, inclusive, of the Kentucky Revised Statutes, to provide funds for (a) the installation of fire safety equipment at Nunn Hall, West Mignon Hall and East Mignon Hall and (b) the new Lakewood Terrace Family Housing Complex, which projects are a part of the Housing and Dining System of Morehead State University as such system was established pursuant to the forms of a Trust Indenture between the Board of Regents of Morehead State University and Pikeville National Bank & Trust Company, which has been replaced by Central Bank and Trust Company, Lexington, Kentucky, Trustee, dated November 1, 1966, as authorized by a Resolution of the Board of Regents. The Board issued and has outstanding Morehead State University Housing and Dining System Revenue Bonds, Series D, E, F, G, H, I, K, L, M, N and O (the "Outstanding Bonds"), issued pursuant to the Trust Indenture, the First Supplemental Trust Indenture dated November 1, 1966, the Second Supplemental Trust Indenture dated June 1, 1989, the Third Supplemental Trust Indenture dated May 1, 1990, the Fourth Supplemental Trust Indenture dated October 1, 1991, the Fifth Supplemental Trust Indenture dated June 1, 2000, and the Sixth Supplemental Trust Indenture dated June 1, 2000. The Series P Bonds are being issued on a parity as to security and source of payment with the Outstanding Parity Bonds, pursuant to the Trust Indenture and a Seventh Supplemental Trust Indenture.

SECURITY

The Outstanding Bonds and any additional parity bonds hereafter issued and outstanding under the terms of the Trust Indenture, are and will be payable from and constitute a paramount charge upon the defined Revenues derived by the University from the operation of its Housing System. The Housing System may be described generally as all the student residence halls and certain related facilities.

As further security for the Series P Bonds there is created and granted by Sections 162.350 and 162.200 of the Kentucky Revised Statutes a statutory mortgage lien upon the Housing System of the University.

QUALIFIED TAX EXEMPT OBLIGATIONS

Pursuant to the provisions of Section 265(b)(3) of the Code, the Board designated the Series P Bonds as "qualified tax-exempt obligations" within the meaning of the Code and has certified that it does not reasonably anticipate that the total principal amount of tax-exempt obligations which will be issued by the Board during the calendar year ending December 31, 2001, will exceed \$10,000,000.

BIDDING CONDITIONS AND RESTRICTIONS

The Public offering of the Series P Bonds is made up of the following specific conditions and provisions:

- A. A minimum price is required for the entire issue of not less than \$5,037,200 (98% of par), plus accrued interest from the date of the Series P Bonds (July 1, 2001) to the date of delivery, payable in Federal Funds.

B. The successful bidder will be required to deposit with Central Bank and Trust Company, Lexington, Kentucky, for the account of Morehead State University immediately available funds in the amount of \$102,800, representing the good faith deposit, by the close of business on the day following the sale. The amount of the good faith deposit, without interest, will be deducted from the purchase price at the time of delivery of the Series P Bonds.

C. The determination of the best bid will be made on the basis of the lowest net interest cost calculated by computing the total interest payable on the Series P Bonds from July 1, 2001, through the Final Maturity Date, plus discount or less premium, as set forth in the Official Bid Form, for exactly \$5,140,000 of Series P Bonds under the terms and conditions therein specified. Upon determination of the lowest net interest cost, the final principal amount and the maturities of the Series P Bonds may be adjusted to provide for proper sizing of the debt service reserve. The successful bidder will be required to accept the final amount and maturities as so computed, whether the principal amount has been increased or decreased by up to \$510,000, and to pay the percentage purchase price based upon the aggregate amount of the final bond issue.

D. Bidders must state an interest rate or rates in multiples of 1/8, 1/10 or 1/20 of 1%, or both.

E. There is no limit on the number of different rates which may be specified in any bid.

F. All Series P Bonds of the same maturity shall bear the same and a single interest rate from the date thereof to maturity.

G. Interest rates must be on an ascending scale, in that the interest rate for Series P Bonds of any maturity may not be less than the interest rate stipulated for any preceding maturity.

H. Bidders may require that a portion of the Series P Bonds be term bonds maturing on one or more dates (the "Term Bonds"); provided, however, that such Term Bonds will be subject to mandatory redemption by lot at a redemption price of 100% of the principal amount thereof plus accrued interest to the date of redemption on November 1 of the years and in the principal amounts set forth in the maturity schedule above.

I. The right to reject bids for any reason deemed advisable by the Board of Regents and the right to waive any possible informalities, irregularities, or defects in any bid which, in the judgment of the Board, with the advice of the Financial Advisor, shall be minor or immaterial, is expressly reserved.

J. Bids must be made on forms which, together with a Preliminary Official Statement, may be obtained at the office of the Treasurer of the University or from the Financial Advisor, J.J.B. Hilliard, W.L. Lyons, Inc., Hilliard Lyons Center, 501 South Fourth Avenue, Louisville, Kentucky 40232-2760, Attention Mr. Sam Conner (502) 588-8473. Bids must be enclosed in sealed envelopes marked "Bid for Morehead State University Housing and Dining System Revenue Bonds, Series P" and bids must be received by the President of the University prior to the date and hour set for the sale. It is also possible to submit a bid

by the delivery (including by facsimile) of a signed bid form to the Financial Advisor (502-588-8470) or University officials (859-622-2196) prior to the sale and completing the bid by telephone prior to the deadline for submitting bids.

K. The purchasers of the Series P Bonds shall pay the CUSIP Service Bureau charge for the assignment of CUSIP numbers, which numbers will be printed on the Series P Bonds at no expense or cost to the purchasers. Neither the failure to print a CUSIP number on any Series P Bond, nor any error with respect thereto, shall constitute cause for a failure or refusal by the purchasers thereof to accept delivery of and pay for the Series P Bonds.

L. Delivery will be made at the Depository Trust Company, New York, New York, at no additional cost or expense to the purchasers. The Board will pay for the printing of the Series P Bonds, which will contain the opinion of Bond Counsel. Delivery is expected on July 25, 2001.

M. Upon wrongful refusal of the purchasers to take delivery of and pay for the Series P Bonds in Federal Funds when tendered for delivery, the good faith deposit shall be forfeited by such purchasers, and such amount shall be deemed liquidated damages for such default; provided, however, if the Series P Bonds are not ready for delivery and payment within forty-five (45) days from the date of sale herein provided for, said purchasers shall be relieved of any liability to accept the Series P Bonds hereunder. However, it is contemplated that the Series P Bonds will be delivered on a date during such period as may be designated by representatives of the Board, and the purchasers will be required to accept delivery of and pay for the Series P Bonds on any designated date within such 45 day period upon notice being given at least five (5) business day prior to the designated delivery date.

N. If the successful bidder desires to obtain insurance guaranteeing the payment of the principal and/or interest on the Series P Bonds, the University agrees that it will cooperate with the successful bidder in obtaining such insurance, but all of the expenses and charges in connection therewith shall be borne by such bidder and the University shall not be liable to any extent therefor.

O. The successful bidder shall promptly advise the Financial Advisor of (i) the reoffering price for each maturity of the Series P Bonds, and (ii) the principal amount sold to the public of each principal maturity of the Series P Bonds on the reoffering date.

P. Bidders are advised that J.J.B. Hilliard, W.L. Lyons, Inc., of Louisville, Kentucky, has been employed as Financial Advisor in connection with the issuance of these Series P Bonds. Their fee for services rendered with respect to the sale of the Series P Bonds is contingent upon the issuance and delivery of the Series P Bonds. They may submit a bid for the purchase of the Series P Bonds at the time of the advertised public sale of the Series P Bonds, either individually or as members of a syndicate organized to submit a bid for the purchase of the Series P Bonds.

The Board of Regents has agreed in the Seventh Supplemental Indenture to provide or cause to be provided, in accordance with the requirements of Rule 15c2-12, as amended and interpreted from time to time (the "Rule") promulgated by the Securities and Exchange Commission (the "Commission"), (i) on or prior to 270 days after the end of each fiscal year, certain annual financial information and operating data, including audited financial statements for the preceding fiscal year,

generally consistent with the information contained in the Official Statement, and (ii) timely notice of the occurrence of certain material events with respect to the Series P Bonds.

The purchaser's obligation to purchase the Series P Bonds shall be conditioned upon its receiving, at or prior to the delivery of the Series P Bonds, in form and substance reasonably satisfactory to the purchaser, evidence that the Board of Regents has made the limited continuing disclosure undertaking set forth above for the benefit of the holders of the Series P Bonds.

The Board of Regents shall provide to the successful purchaser a final Official Statement in accordance with the Rule. Arrangements have been made with the printer of the Preliminary Official Statement, upon submission of completion text, to print a reasonable quantity of final Official Statements in sufficient time to meet the delivery requirements of the successful bidder under SEC or Municipal Securities Rulemaking Board Delivery Requirements, which Official Statements will be provided at the expense of the Board.

The Board of Regents will furnish to the purchasers the customary No Litigation Certificate and the final, approving Legal Opinion of Peck, Shaffer & Williams LLP, Covington, Kentucky, without expense to the purchasers.

Concurrently with the delivery of the Series P Bonds, the Treasurer of the Board of Regents will certify that, to the best of his knowledge, the Official Statement did not, as of its date, and does not, as of the date of delivery of the Series P Bonds, contain any untrue statement of a material fact or omit to state a material fact which should be included therein for the purpose for which the Official Statement is to be used, or which is necessary in order to make the statements contained therein, in the light of the circumstances under which they were made, not misleading in any material respect.

TAX EXEMPTION

In the opinion of Bond Counsel for the Series P Bonds, based upon an analysis of existing laws, regulations, rulings and court decisions, interest on the Series P Bonds is excludable from gross income for Federal income tax purposes and interest on the Series P Bonds is not a specific item of tax preference under Section 57 of the Internal Revenue Code of 1986 (the "Code") for purposes of the Federal individual or corporate alternative minimum taxes.

The Code imposes various restrictions, conditions, and requirements relating to the exclusion from gross income for Federal income tax purposes of interest on obligations such as the Series P Bonds. The University has covenanted to comply with certain restrictions designed to ensure that interest on the Series P Bonds will not be includable in gross income for Federal income tax purposes. Failure to comply with these covenants could result in interest on the Series P Bonds being includable in gross income for Federal income tax purposes and such inclusion could be required retroactively to the date of issuance of the Series P Bonds. The opinion of Bond Counsel assumes compliance with these covenants. However, Bond Counsel has not undertaken to determine (or to inform any person) whether any actions taken (or not taken) or events occurring (or not occurring) after the date of issuance of the Series P Bonds may adversely affect the tax status of the interest on the Series P Bonds.

Certain requirements and procedures contained or referred to in the Indenture and other relevant documents may be changed and certain actions (including, without limitation, defeasance of

the Series P Bonds) may be taken or omitted under the circumstances and subject to the terms and conditions set forth in such documents. Bond Counsel expresses no opinion as to any Series P Bonds or the interest thereon if any such change occurs or action is taken or omitted upon the advice or approval of bond counsel other than Peck, Shaffer & Williams LLP.

Although Bond Counsel for the Series P Bonds has rendered an opinion that interest on the Series P Bonds is excludable from gross income for Federal income tax purposes and that interest on all Series P Bonds is excludable from gross income for Kentucky income tax purposes, the ownership or disposition of, or the accrual or receipt of interest on, the Series P Bonds may otherwise affect a Bondholder's Federal, state or local tax liabilities. The nature and extent of these other tax consequences may depend upon the particular tax status of the Bondholder or the Bondholder's other items of income or deduction. Bond Counsel expresses no opinion regarding any tax consequences other than what is set forth in its opinion and each Bondholder or potential Bondholder is urged to consult with tax counsel with respect to the effects of purchasing, holding or disposing the Series P Bonds on the tax liabilities of the individual or entity.

For example, corporations are required to include all tax-exempt interest in determining "adjusted current earnings" under Section 56(c) of the Code, which may increase the amount of any alternative minimum tax owed. Similarly, tax-exempt interest may also increase the amount of any environmental tax owed under Section 59 of the Code, which is based on the alternative minimum taxable income of any corporation subject to that tax. Ownership or disposition of the Series P Bonds may result in other collateral Federal, state or local tax consequence for certain taxpayers, including, without limitation, increasing the federal tax liability of certain foreign corporations subject to the branch profits tax imposed by Section 884 of the Code, increasing the federal tax liability of certain insurance companies, under Section 832 of the Code, increasing the federal tax liability and affecting the status of certain S Corporations subject to Sections 1362 and 1375 of the Code, and increasing the federal tax liability of certain individual recipients of social security or Railroad Retirement benefits, under Section 86 of the Code. Ownership of any Series P Bonds may also result in the limitation of interest and certain other deductions for financial institutions and certain other taxpayers, pursuant to Section 265 of the Code. Finally, residence of the holder of Series P Bonds in a state other than Kentucky or being subject to tax in a state other than Kentucky, may result in income or other tax liabilities being imposed by such states or their political subdivisions based on the interest or other income from the Series P Bonds.

The University has designated the Series P Bonds as "qualified tax-exempt obligations" under Section 265 of the Code.

The Board reserves the right to amend the Seventh Supplemental Trust Indenture pursuant to which the Series P Bonds are issued without obtaining the consent of the owners of the Series P Bonds (i) to whatever extent shall, in the opinion of Bond Counsel, be deemed necessary to assure that interest on the Series P Bonds shall be exempt from Federal income taxation, and (ii) to whatever extent shall be permissible (without jeopardizing such tax exemption or the security of the owners of the Series P Bonds) to eliminate or reduce any restrictions concerning the project financed by the Series P Bonds, the investment of the proceeds of the Series P Bonds, or the application of such proceeds or of the revenues of the project financed by the Series P Bonds. The purchasers of the Series P Bonds will be deemed to have relied fully upon these covenants and undertakings on the part of the Board as part of the consideration for the purchase of the Series P

Bonds. To the extent that the Board obtains an opinion of nationally recognized bond counsel to the effect that non-compliance with any of the covenants contained in the Seventh Supplemental Trust Indenture would not subject interest on the Series P Bonds to Federal income taxation or Kentucky income taxation, the Board is not required to comply with such covenants and requirements.

If, prior to the delivery of the Series P Bonds, any event shall occur which alters the tax-exempt status of the Series P Bonds, the purchaser shall have the privilege of voiding the purchase contract by giving immediate written notice to the Board of Regents, whereupon the amount of the good faith deposit of the purchaser will be returned to the purchaser, and all respective obligations of the parties will be terminated.

Bond Counsel has reviewed the Official Statement with regard to all matters pertaining to the legality and tax exemption of the Series P Bonds, including statements concerning the authority, purpose and security of the Series P Bonds; but Bond Counsel has not reviewed any of the financial statements or other financial information in the Official Statement, and expresses no opinion thereon and assumes no responsibility in connection therewith.

/s/ Carol Johnson
Secretary, Board of Regents,
Morehead State University

OFFICIAL BID FORM

\$5,140,000*

MOREHEAD STATE UNIVERSITY
HOUSING AND DINING SYSTEM REVENUE BONDS, SERIES P
DATED JULY 1, 2001

Subject to the terms and conditions set forth in the Official Terms and Conditions of Sale of Bonds, providing for the sale of \$5,140,000* of Morehead State University Housing and Dining System Revenue Bonds, Series P, dated July 1, 2001 (the "Series P Bonds"), and in accordance with the notice of sale of the Series P Bonds as advertised, to all of which the undersigned agrees, the undersigned hereby submits the following offer to purchase the Series P Bonds.

We hereby bid for said \$5,140,000 principal amount of Series P Bonds, the sum of \$_____ (not less than \$5,037,200) (98%), plus accrued interest from July 1, 2001, to the date of delivery, at the following annual interest rates:

SCHEDULE OF PRINCIPAL AMOUNTS AND INTEREST RATES

Maturity November 1	Principal Amount	Serial Bond Rate	Term* Bond Rate	Maturity November 1	Principal Amount	Serial Bond Rate	Term* Bond Rate
2001	\$205,000	_____	_____	2011	\$245,000	_____	_____
2002	175,000	_____	_____	2012	260,000	_____	_____
2003	180,000	_____	_____	2013	270,000	_____	_____
2004	185,000	_____	_____	2014	285,000	_____	_____
2005	195,000	_____	_____	2015	300,000	_____	_____
2006	200,000	_____	_____	2016	315,000	_____	_____
2007	210,000	_____	_____	2017	330,000	_____	_____
2008	215,000	_____	_____	2018	350,000	_____	_____
2009	225,000	_____	_____	2019	370,000	_____	_____
2010	235,000	_____	_____	2020	390,000	_____	_____

*Bidders may elect to structure the maturities to include term bonds with mandatory sinking fund redemptions. To bid term bonds, put interest rate in Term Bond Rate column.

We understand that this bid may be accepted for as much as \$5,245,000 of Bonds and for as little as \$4,630,000 of Bonds, at the same price per \$1,000 of Bonds as the price bid per \$1,000 of Bonds by the undersigned with the variation in such amount being adjusted as determined at the time of acceptance of the best bid.

We understand that the Board of Regents will furnish the final, approving legal opinion of Peck, Shaffer & Williams LLP, Covington, Kentucky. We agree that if we are the successful bidder, immediately available funds in the amount of \$102,800, payable to the Morehead State University will be deposited in Central Bank and Trust Company, Lexington, Kentucky, by federal wire transfer, ABA No. _____, prior to the end of the business day on July 12, 2001, in accordance with the Notice of Bond Sale and the Official Terms, with the understanding that the amount thereof, without interest, will be deducted from the purchase price of the Series P Bonds

when tendered to us for delivery. If we are the successful bidder, we agree to accept and make payment for the Series P Bonds in accordance with the terms of sale.

*Preliminary, subject to change.

Respectfully submitted,

By

Title

Total interest cost from July 1, 2001,
to final maturity

\$

Less premium bid or plus discount, if any

\$

Net interest cost

\$

Average interest rate or cost

\$

The above computations of net interest cost and of average interest rate or cost, submitted for information only and are not part of this Bid.

ACCEPTANCE OF BID WITH ADJUSTMENT OF MATURITY AMOUNTS

Accepted by the Board of Regents of Morehead State University, with the change in maturities of Series P Bonds being as follows:

Maturity November 1	Principal Amount	Maturity November 1	Principal Amount
2001	\$	2011	\$
2002		2012	
2003		2013	
2004		2014	
2005		2015	
2006		2016	
2007		2017	
2008		2018	
2009		2019	
2010		2020	

Accepted this ____ day of July, 2001.

BOARD OF REGENTS OF MOREHEAD
STATE UNIVERSITY

By:

Authorized Officer

**RATIFY LEASE WITH THE MOREHEAD
STATE UNIVERSITY FOUNDATION, INC.**

**BOR (V-A-17)
June 8, 2001**

Background

On April 20, 2001, the Morehead State University Foundation, Inc., acquired real property and improvements located at 133 Third Street, Morehead. The property was obtained by the Foundation at the request of the University. The University has entered into a short-term lease with the Foundation through August 31, 2002, at a monthly lease rate of \$1,800. It is the University's plan to purchase the property from the Foundation after July 1, 2002 when a new biennial land acquisition authorization is approved by the General Assembly.

The property was acquired by the Foundation for \$135,000 and lies within the University's approved Campus Master Plan. The approximate .276 - acre tract includes a one story, 1,192 square foot frame house. MSU Faculty/Staff Parking Lot Area 3 and 4 and the Lloyd Cassity Building bound the property on the west and east. Third Street and Fourth Street, both City streets, bound the property on the south and north. A map of the area with property identified is attached.

When acquired by the University in 2002, the University will be in possession of all property between the two City streets. All real property targeted in the Campus Master Plan for acquisition along this corridor of the campus will have been acquired. The house will then be razed and the property developed for parking.

MSU Policies Related to Real Property Management provides that a lease with the MSU Foundation, Inc., have the prior approval of the Board of Regents. Due to the property owner's timing demands related to the transaction, the Foundation was asked to acquire the property. The University then immediately took possession of the property through the lease. Ratification of the lease agreement is therefore requested and recommended.

Recommendation

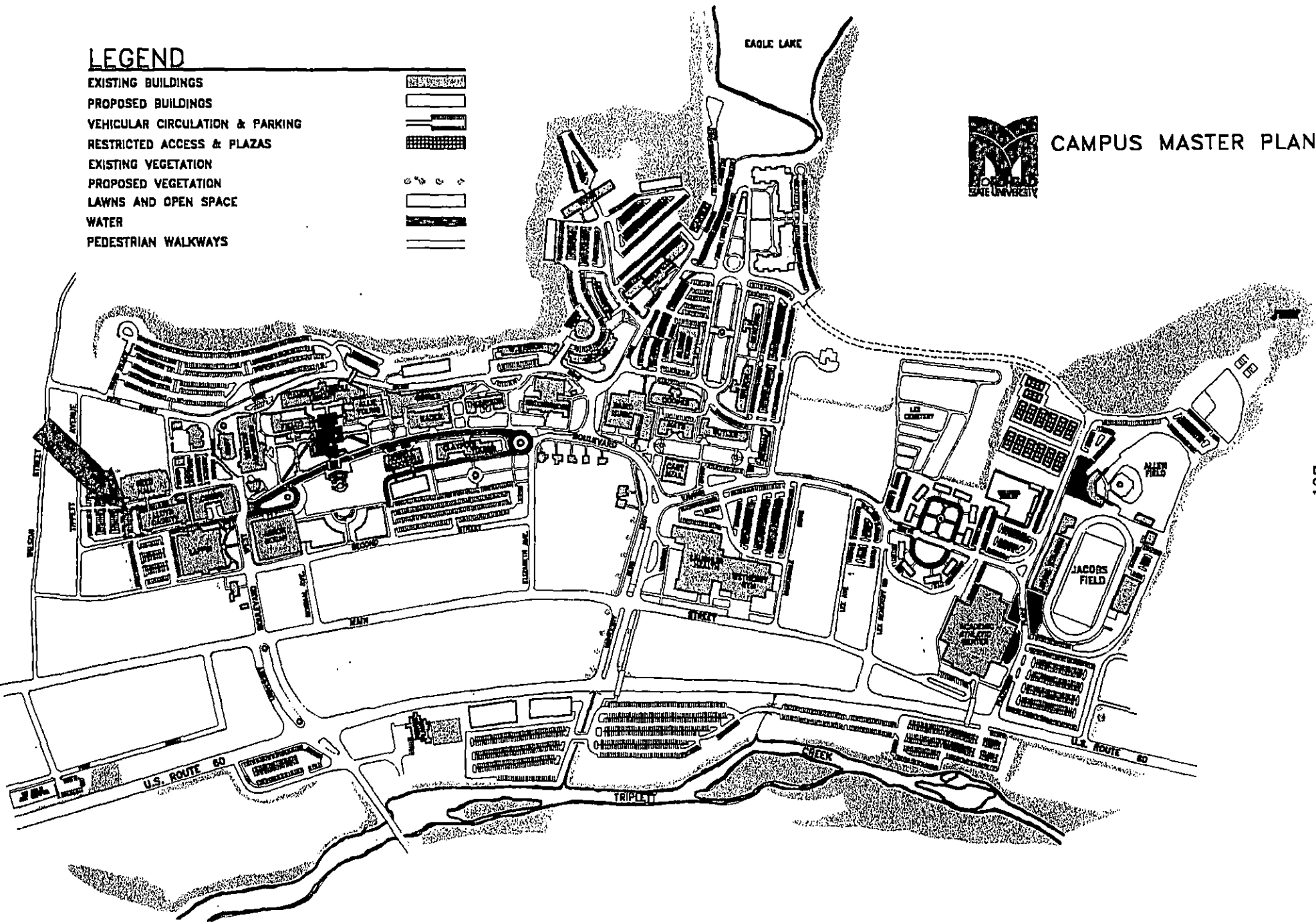
That the Board of Regents ratify the real property lease with the MSU Foundation, Inc., in regard to the property located at 133 Third Street, Morehead, Kentucky 40351.

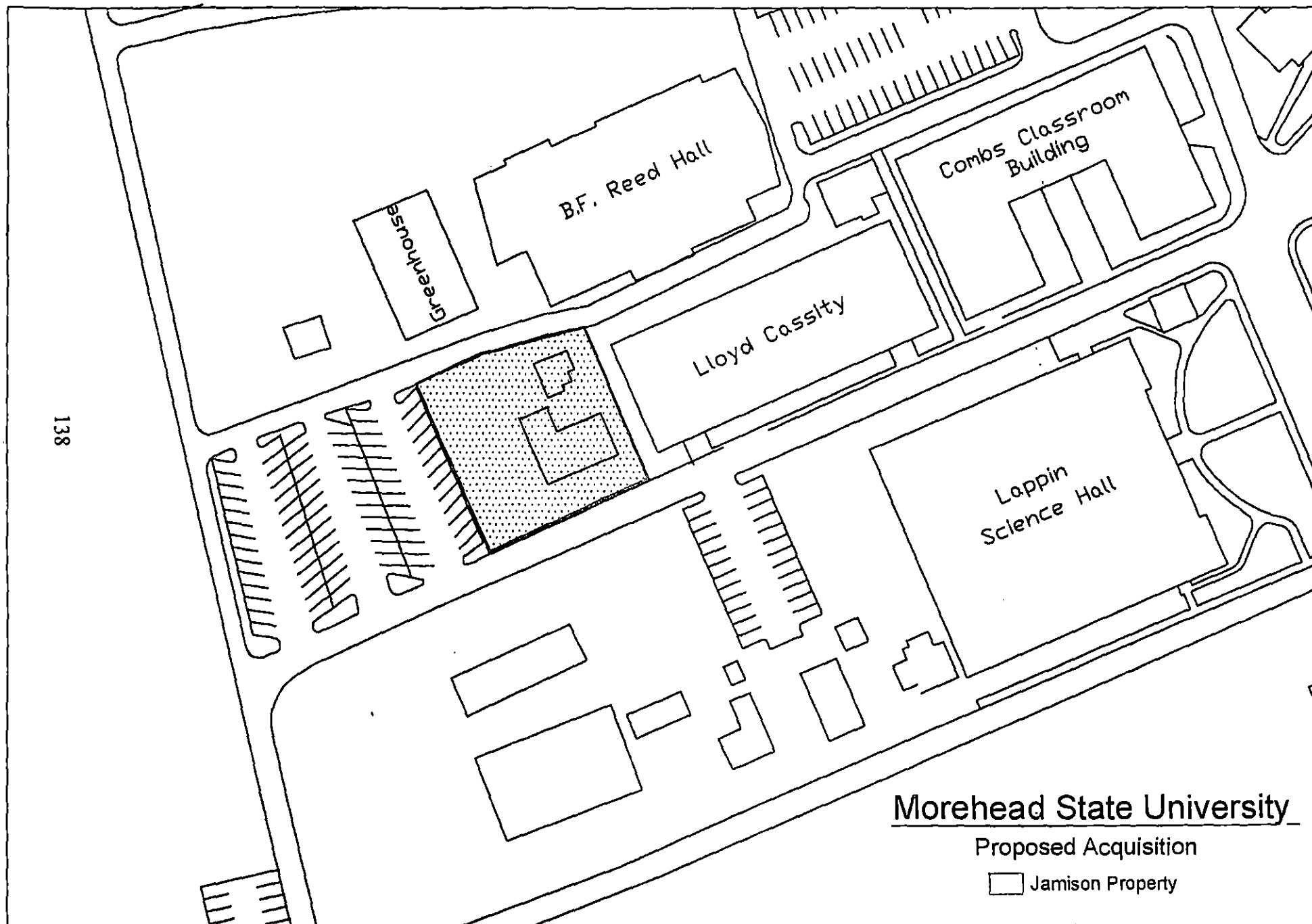
LEGEND

EXISTING BUILDINGS
 PROPOSED BUILDINGS
 VEHICULAR CIRCULATION & PARKING
 RESTRICTED ACCESS & PLAZAS
 EXISTING VEGETATION
 PROPOSED VEGETATION
 LAWNS AND OPEN SPACE
 WATER
 PEDESTRIAN WALKWAYS



CAMPUS MASTER PLAN





Morehead State University

Proposed Acquisition

□ Jamison Property

**DISPOSAL OF REAL PROPERTY
MORGAN COUNTY**

**BOR (V-A-18)
June 8, 2001**

Background:

Morgan County's Fiscal Court has requested the return of approximately 1.901 acres of an undeveloped tract of property in Morgan County for the construction of the Morgan County Technology School (letter and proposed deed attached). This tract is part of a larger tract containing approximately 7.508 acres that was deeded to Morehead State University for \$1.00 by the Morgan County Public Properties Corporation on February 14, 2000. A new 36,000SF facility for Morehead State University at West Liberty is currently under construction on this site and is scheduled for completion by January 1, 2002. This structure is depicted on the attached drawing of the property deeded to Morehead State University. The drawing also indicates the tract of property requested by Morgan County Fiscal Court for construction of the Morgan County Technology School.

Statutory Authority:

In accordance with policies approved by the Board of Regents on April 30, 1993 and September 17, 1999, related to real property management, the President may initiate the disposition of real property.

Description of Property:

Approximately 1.901 acres of undeveloped land located in the Commonwealth of Kentucky, County of Morgan, located on the north side of State Route 2498 (Liberty Road) approximately 0.2 miles west of junction of U.S. 460 near the community of Index, being a portion of the parcel conveyed from Morgan County Public Properties Corporation to Morehead State University in a Deed of Conveyance dated 14 February 2000 and recorded in Deed Book 184 on Page 399 of the records in the Morgan County Court Clerk's office.

Administrative Procedure:

That the aforementioned real property be declared surplus to the needs of the University and that the property be sold to the Morgan County Fiscal Court for \$1.00 to meet the needs and interest of the public sector.

ORDER TO DISPOSE OF PROPERTY

WHEREAS, upon the recommendation of the President on March 3, 2001, the Board of Regents has reviewed the Written Request to Dispose of Property in reference to the following:

- Approximately 1.901 acres of undeveloped land located in the Commonwealth of Kentucky, County of Morgan, located on the north side of State Route 2498 (Liberty Road) approximately 0.2 miles west of west junction of U.S. 460 near the community of Index, being a portion of the parcel conveyed from Morgan County Public Properties Corporation to Morehead State University in a Deed of Conveyance dated 14 February 2000 and recorded in Deed Book 184 on Page 399 of the records in the Morgan County Court Clerk's office.

THAT, the President of Morehead State University declares and recommends that the referenced property is surplus to the needs of the University,

WHEREAS, the disposal of the above referenced property in the aforementioned manner is in the best public interest of the Commonwealth,

BE IT RESOLVED, that the president be authorized to dispose of the referenced property accordingly.

RECOMMENDED: _____
Ronald G. Eaglin, President Date

APPROVAL: _____
Buckner Hinkle, Chair Date
MSU board of Regents

MORGAN COUNTY GOVERNMENT

**450 PRESTONSBURG STREET
WEST LIBERTY, KENTUCKY 41472**

**Sid Stewart
County Judge Executive**

**Phone 606-743-3898
Fax 606-743-3895**

April 9, 2001

**Porter Dailey
Vice President for Administration & Fiscal Affairs
MC 202
Morehead State University
Morehead, KY 40351**

Dear Mr. Dailey:

**Enclosed please find a deed of conveyance with all back up information attached.
Morgan County Fiscal Court will use the property that is described in the deed for the
purpose of building a technology school.**

**I believe the proximity of the MSU facility and the Morgan County Technology School
on the same location will serve as a great opportunity for close cooperation and will
offer great opportunity for the area student.**

Thank you so much for your cooperation in this matter.

Sincerely,



**Sid Stewart
County Judge Executive**

DEED

THIS DEED OF CONVEYANCE made and entered into this _____ day of April, 2001, by and between MOREHEAD STATE UNIVERSITY, whose principal offices are located at Howell-McDowell Administration Building, Morehead, Kentucky 40351, as GRANTOR and party of the first part, and MORGAN COUNTY FISCAL COURT, of 450 Prestonsburg Street, West Liberty, Kentucky 41472, as GRANTEE and party of the second part.

WITNESSETH: That the party of the first part, for and in consideration of the sum of ONE DOLLAR (\$1.00), cash in hand paid, as well as other good and valuable consideration, the receipt of which is hereby acknowledged, does hereby grant, bargain, sell, and convey to the party of the second part, its successors in title, all of its right, title, and interest in and to the following described tract or parcel of land in the Commonwealth of Kentucky, County of Morgan, located on the North side of State Route 2498 (Liberty Road) approximately 0.2 miles West of West junction of U.S. 460, near the community of Index, and being more particularly bounded and described as follows, to wit:

BEGINNING at a found aluminum disk in concrete with rebar, disk stamped "COMMONWEALTH OF KY. SURVEY MARKER LS 2766" (found aluminum monument) on the NORTH right-of-way of State Route 2498 (Liberty Road), thirty (30) feet from the centerline of Liberty Road, a corner to the parcel conveyed to Darrell King and Ima Jean King in Deed Book 119, Page 213, of the Morgan County Court Clerk's records;

Thence with the NORTH right-of way of Liberty Road for one (1) call:
(1) NORTH 79-53-12 WEST 139.01 feet to a set ½" rebar with aluminum cap stamped "CURD SURVEYING & ENG. INC., LS 2766" (set rebar with cap) in a severance line;

Thence with a severance line for one (1) call:
(1) NORTH 00-00-00 EAST 472.97 feet to a set rebar with cap in the centerline of a proposed entrance, a corner to the right-of-way of Continental Drive conveyed to Morgan County Fiscal Court in Deed Book 170, Page 109;

Thence with the right-of-way of Continental Drive for six (6) calls:
(1) NORTH 88-22-48 EAST 41.81 feet to a found aluminum monument,
(2) SOUTH 64-38-40 EAST 149.99 feet to a found aluminum monument,
(3) SOUTH 16-14-19 EAST 102.10 feet to a found aluminum monument,
(4) SOUTH 05-58-59 WEST 88.40 feet to a found aluminum monument,
(5) SOUTH 03-10-10 WEST 50.00 feet to a found aluminum monument,
(6) SOUTH 28-10-52 WEST 72.57 feet to a found metal fence post, a corner to the parcel conveyed to Darrell King and Ima Jean King in Deed Book 119, Page 213;

Thence with the King line for two (2) calls:
(1) SOUTH 09-36-53 WEST 20.00 feet to a found aluminum monument,

(2) SOUTH 09-36-53 WEST 116.41 feet to the beginning containing 1.901 Acres. Bearings are assumed from the parent tract record bearings (see Deed Book 184, Page 399 and Plat Book 2, Page 68 of the Morgan County Court Clerk's Records). This property description is based on a field survey conducted under the direction of Joseph B. Curd, Jr., LS 2766, with CURD SURVEYING, ENGINEERING & LAND CONSULTING, INC., dated 13 March, 2001.

Being a portion of the parcel conveyed from Morgan County Public Properties Corporation to Morehead State University, in a Deed of Conveyance dated 14 February, 2000, and recorded in Deed Book 184, at page 399, of the records of the Morgan County Court Clerk's Office.

PROVIDED, HOWEVER, this conveyance is made subject to all existing restrictions, stipulations, and easements of record, including the subsurface oil, gas, and mineral rights, leased, reserved or outstanding in third parties, if any.

TO HAVE AND TO HOLD the same together with all the appurtenances thereunto belonging unto the party of the second part, its heirs and assigns, forever, with the covenant of **GENERAL WARRANTY**.

CERTIFICATE OF CONSIDERATION

Morehead State University, as Grantor, and Morgan County Fiscal Court, as Grantee, do hereby certify, pursuant to K.R.S. Chapter 382, that the property herein conveyed is transferred by gift and with nominal consideration. We further certify that the full estimated fair cash value of the property herein conveyed is \$_____, and we understand that falsification of the stated consideration or sale price of the property is a Class D Felony, subject to one to five years imprisonment and fines up to \$10,000.00.

IN TESTIMONY WHEREOF, the party of the first part and party of the second part have hereunto set their hands the day and year first above written.

MOREHEAD STATE UNIVERSITY
- GRANTOR
BY: PORTER DAILEY, VICE PRESIDENT
FOR ADMINISTRATION AND FISCAL
SERVICES

SEEN AND ATTESTED TO BY:

MORGAN COUNTY FISCAL COURT
- GRANTEE
BY: SID STEWART, JUDGE-EXECUTIVE

JANIS WILLIAMS, MORGAN COUNTY
COURT CLERK AND SECRETARY FOR
MORGAN COUNTY FISCAL COURT

The foregoing Deed from _____
Court was acknowledged before me by Porter Dailey, Vice President for Administration
and Fiscal Services, on behalf of Morehead State University, this _____ day of April,
2001.

The foregoing Consideration Certificate was produced, subscribed,
acknowledged and sworn to before me by Porter Dailey, Vice President for
Administration and Fiscal Services, on behalf of Morehead State University, as Grantor,
this _____ day of April, 2001.

My commission expires: _____.

SEAL

NOTARY PUBLIC

COMMONWEALTH OF KENTUCKY)
 : SCT
COUNTY OF MORGAN)

The foregoing Consideration Certificate was produced, subscribed,
acknowledged and sworn to before me by Sid Stewart, Morgan County Judge-
Executive, on behalf of the Morgan County Fiscal Court, as Grantee, this _____ day of
April, 2001.

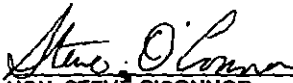
My commission expires: _____.

SEAL

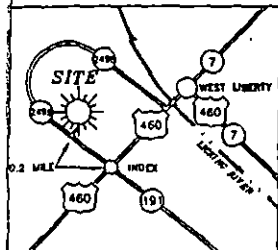
NOTARY PUBLIC

Map No. _____, Parcel No. _____

THIS INSTRUMENT PREPARED WITHOUT SURVEY
OR TITLE ABSTRACT AND WITH DESCRIPTION
PROVIDED BY THE GRANTOR, BY:



HON. STEVE O'CONNOR
ATTORNEY AT LAW
522 PRESTONSBURG STREET
WEST LIBERTY, KENTUCKY 41472
606-743-7620



VICINITY MAP (NOT TO SCALE)
MORGAN CO., KY.

BOUNDARY LINE TABLE

LINE	BEARING	DISTANCE
L1	N 08°22'40" E	47.81'
L2	S 05°58'39" W	88.40'
L3	S 03°10'10" W	50.00'
L4	S 28°10'52" W	72.57'
L5	S 09°38'53" W	20.00'

LEGEND

BOUNDARY LINE (THIS SURVEY)

BOUNDARY SEVERANCE LINE (THIS SURVEY)

APPROXIMATE ADJOINING BOUNDARY LINE

1/2" REBAR WITH ALUMINUM CAP STAMPED
"CURD SURVEYING & ENG. INC. LS 2766"
(SET THIS SURVEY)

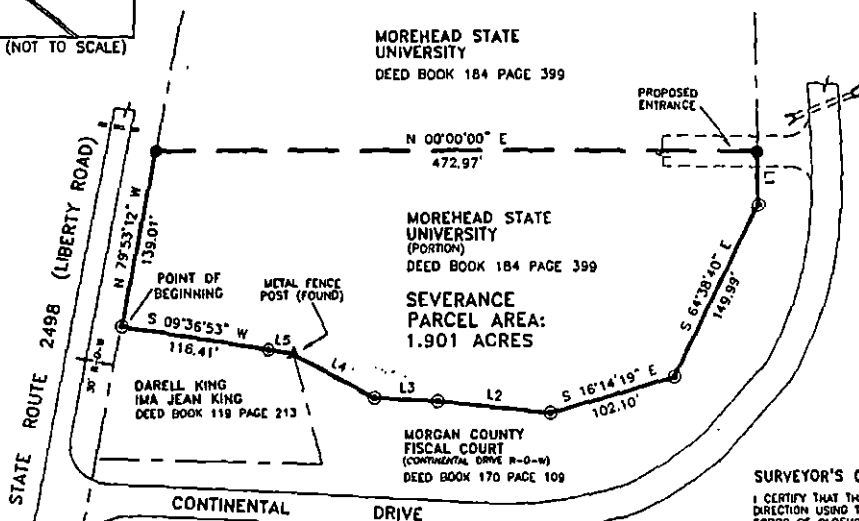
ALUMINUM DISK IN CONCRETE WITH REBAR;
DISK IS STAMPED "COMMONWEALTH OF KY,
SURVEY MARKER LS 2766" (FOUND)

MOREHEAD STATE
UNIVERSITY
DEED BOOK 184 PAGE 399

MOREHEAD STATE
UNIVERSITY
(PORTION)
DEED BOOK 184 PAGE 399

SEVERANCE
PARCEL AREA:
1.901 ACRES

MORGAN COUNTY
FISCAL COURT
(COMMONWEALTH OF KY)
DEED BOOK 170 PAGE 109



0' 100'



SURVEYOR'S CERTIFICATION

I CERTIFY THAT THIS PLAT DEPICTS A SURVEY CONDUCTED UNDER MY
DIRECTION USING THE METHOD OF RANDOM TRAVERSE. THE UNADJUSTED
ERROR OF CLOSURE RATIO OF THE RANDOM TRAVERSE IS 1:44,200.
THE BEARINGS AND DISTANCES HAVE NOT BEEN ADJUSTED FOR CLOSURE.
THIS SURVEY AND PLAT MEET THE MINIMUM STANDARDS OF GOVERNING
AUTHORITIES FOR A CLASS "A" SURVEY. THIS PARCEL IS SUBJECT TO ALL
EASEMENTS OF RECORD, AND BASIS OF BEARINGS IS ASSUMED FROM THE
PARENT TRACT RECORD BEARINGS (SEE DEED BOOK 184 PAGE 399 &
PLAT BOOK 2 PAGE 88 OF THE MORGAN COUNTY CLERK'S RECORDS.)

JOSEPH B. CURD, JR.

LS. 2766

3/25/2001
DATE

BOUNDARY SURVEY OF A SEVERANCE OF THE
MOREHEAD STATE UNIVERSITY PARCEL
FOR THE MORGAN COUNTY FISCAL COURT
450 PRESTONBURG STREET • WEST LIBERTY, KY 41472
WEST LIBERTY, MORGAN CO., KENTUCKY

CURD SURVEYING, ENGINEERING
& LAND CONSULTING, INC.

450 PRESTONBURG STREET
WEST LIBERTY, KENTUCKY 41472
(606) 749-1288

DATE: 3/21/01
PROJ. # 2168
SCALE: 1"=100'
SHEET: 1 OF 1
DRAWN BY: JBC
CHK: JBC

APPROVE UNIVERSITY
STRATEGIC PLAN – 2001-2006

BOR (V-A-19)
June 8, 2001

Background:

The update of the University's comprehensive Strategic Plan was the primary focus last August of the University's annual Administrative Retreat. Over 75 participants at the two-day workshop, including members of the Board of Regents, reviewed and developed institutional purpose, mission, goal statements and objectives. A draft of the new plan had been previously developed in May 2000 by the University Planning Committee and served as the basis for the retreat discussions. Six workgroups then outlined objectives around the following goals:

- Student Achievement
- Academic Programs
- Enrollment and Retention
- Student Support Services
- Educational and Economic Services
- Capital, Fiscal and Human Resource Planning

In September 2000, the University Planning Committee coordinated the appointment of 6 new campus workgroups to further review and refine the goals and define the objectives that evolved from the various retreat workgroups. The result were campus workgroup recommendations that served as the foundation for the University Planning Committee's construction of a final draft plan that has since been shared for comment with the campus. A draft was also shared and discussed with the Board of Regents at its March workshop.

The final document is presented as *Pride and Promise Morehead State University 2001-2006 Strategic Plan*. It is important to the University, the community, our region, the Commonwealth and our students for many reasons:

- Representative of the institution's *Pride* in our past, but recognizes the *Promise* of the future as we move aggressively into the 21st Century.
- First plan revision since the 1997 higher education reform efforts of the Governor and General Assembly.
- Aligns the institution with the Council on Postsecondary Education's 2020 Vision and Action Agenda.
- Recognizes the need for quality programs and strong accountability structures to insure the goals and objectives are achieved.

The plan will be periodically reviewed and amended to address the new challenges that face the University. The University will heavily rely upon the leadership of the administration and University Planning Committee, comprised of faculty, staff and students, to:

- Bring forth and focus new ideas and challenges.
- Make annual resource allocation and prioritization decisions based on the plan.
- Amend the plan as necessary.
- Effectively communicate the plan to the campus and external supporters.
- Regularly report on the institution's progress in achieving plan goals and objectives.

Recommendation:

That the Board of Regents approve the 2001-2006 Strategic Plan.

**APPROVE THE 2001/2002 OPERATING BUDGET
AND FEE SCHEDULE**

**BOR (V-A-20)
June 8, 2001**

Background:

The proposed 2001/2002 Operating Budget reflects Morehead State University's continued efforts to support the Kentucky Council on Postsecondary Education's *2020 Vision: An Agenda for Kentucky's System of Postsecondary Education*. The proposed budget also reflects the University's commitment to improve compensation for faculty and staff and the continued advancement of numerous academic and student support initiatives.

This year's budget preparation process was inclusive of campus input and representation. A budget workshop was again conducted with the Board of Regents. The University Planning Committee was significantly and continuously involved in defining a process to review 80 proposals to advance the institution in accordance with unit plans and the Strategic Plan. The result is a proposed \$87.4 million budget that advances our mission by focusing on our most important goals and objectives.

The parameters outlining the administration's management responsibilities related to the 2001/2002 Operating Budget and periodic reporting requirements to the Board of Regents are specified in the Budget Adoption Resolution on pages A-6 and A-7 of the separately bound Operating Budget.

Analysis - Operating Budget:

The CPE envisions a Commonwealth with significantly more educated citizens, globally competitive businesses and industries, and scholars and practitioners who are among the best in the world. To achieve the vision by 2020, the Council adopted the Action Agenda 1999-2004 that primarily addresses issues of teacher quality.

The University has also revised its Strategic Plan. The new Strategic Plan, presented separately in the June agenda, was developed after seeking broad constituent input, to insure that the Commonwealth's postsecondary education agenda is appropriately advanced. The institution's new Strategic Plan proudly reflects the *Pride and Promise* of Morehead State University as we aggressively move into the 21st Century with new and innovative academic programs.

The University's Strategic Plan and 2001/2002 Operating Budget rely upon increases in state funding and student fees to support the key state and institutional initiatives funded in this budget. Enrollment growth, retention, and graduation goals continue to be important institutional strategic initiatives. New funding to support quality teacher education program initiatives will also be incorporated into the 2001/2002 Operating Budget.

The recommended budget reflects the institution's priority to increase enrollment to achieve the Council's goals for Morehead State University. The Fall 2001 headcount enrollment objective is 8,600, an increase of 3% over the previous fall.

The CPE undergraduate headcount enrollment objective for MSU is 6,900. We are projecting and budgeting to achieve this goal. The Council has established undergraduate headcount enrollment goals for MSU of 7,000 by 2002 and 7,100 by 2004. These goals are currently under review by the institution and the CPE. No significant changes are anticipated.

Enrollment and Housing Projections

	Fall 2000 (Actual)	Fall 2001 (Projected)
FTFTF	1,432	1,552
Total Undergraduate	6,705	6,900
Total Graduate	1,622	1,700
Total Headcount	8,327	8,600

Occupancy in the residence halls is projected at 3,120, an increase of 130 students over budgeted Fall 2000.

New Budget Increases 7.5%

The proposed \$87,397,000 Operating Budget reflects an increase of \$6,112,900 or 7.52 percent, from the 2000/2001 opening budget. As usual, the majority of the new funds supporting the budget come from increases in the state appropriation, student fees and housing rate increases:

Tuition and Mandatory Fees	\$2,213,300
State Appropriations (Operating)	\$1,921,700
Residence Halls	\$ 592,000

The institution will again rely on its year-end reserves to support various capital and operating initiatives primarily of a non-recurring nature:

Budgeted Fund Balance	\$8,372,100
-----------------------	-------------

Endowment Income:

Endowment income totalling \$126,000 is available to be budgeted in 2001/2002 from various academic state matched endowment funds. Including endowment income in the opening budget is an institutional first. The amount actually to be budgeted,

however, is only \$51,000. Some endowment administrators have elected to allow their funds to remain in the endowment fund to grow and support future initiatives. The budgeted endowment income will enhance existing academic budgets in accordance with the respective endowment purposes. The budgeted amounts will continue to grow as the endowments mature.

Endowment Income

\$51,000

Strategic Initiatives:

Strategic budget proposals have again been recommended for funding in the Operating Budget. Budget units submitted proposals to the Planning Committee that were linked to their unit plans and/or the University's Strategic Plan, and that advance the unit and/or institution goals and objectives.

Athletics:

The proposed operating budget for intercollegiate athletics is in compliance with the Board's May 5, 1989 Resolution on Intercollegiate Athletics which stipulates that athletic revenues must equal at least 33 1/3 percent of athletic expenditures. In addition, the proposed operating budget also adheres to the resolution's requirement that general fund contributions to athletics not exceed 3.6 percent of the educational and general budget.

Housing:

The operating budget allows for new debt service of over \$300,000 related to the new Lakewood Terrace Apartment Complex and Phase 3 of the Fire Safety Project in the residence halls. Additionally, funding has been increased to insure a housing depreciation fund for the continued upgrade and improvement of residence hall facilities and furnishings.

Analysis - State Appropriations:

Capital and Endowment Appropriations:

The 2000 General Assembly once again appropriated significant non-recurring funds to Morehead State University for the 2000/2002 biennium. The University received \$10 million for the Renovation of the Adron Doran University Center - Phase I project. The University has successfully matched, through private fund raising initiatives, approximately one-half of the \$2.872 million available in 2000/2002 from the Regional University Excellence Trust Fund Endowment Program to create and/or enhance various academic or scholarship endowments. In addition, with this budget, the University will complete its matching requirement related to the \$1.625 million appropriated for major capital renewal and maintenance projects. In each year of the current biennium, \$812,500 was budgeted as our matching share.

Operating Appropriations:

The state operating appropriation to MSU will increase by \$1,921,700 to \$40,146,500. State funded debt service of \$884,200 brings the total state appropriation to \$41,030,700 in 2001/2002.

Analysis – Fee Schedule:

A comprehensive review of University fees is conducted annually and recommended changes are presented to the Board for approval. The recommended 2001/2002 Fee Schedule is presented on pages C-1 through C-18 of the Operating Budget.

Tuition, Student Activity Fee and Residence Hall Rates:

	Fall 2000	Fall 2001
Resident Undergraduate Tuition	\$1,040	\$1,123
Student Activity Fee	<u>215</u>	<u>232</u>
Total Tuition & Mandatory Fees	\$1,255	\$1,355
Average Residence Hall Rate	\$ 930	\$ 990

In accordance with 13 KAR 2:050, the Council on Postsecondary Education determines tuition for all students enrolled in Kentucky public postsecondary institutions. On April 12, 1999, the Council delegated this authority to the governing boards of each institution. On December 8, 2000 the Morehead State University Board of Regents approved tuition and mandatory fees for 2001/2002. The approved rates reflect an eight percent increase in tuition rates and mandatory student fees for 2001/2002.

The University continues its multi-year plan to install sprinkler systems and upgrade other fire safety systems in student residence halls. As presented on page C-2 of the Fee Schedule, a \$65 surcharge is recommended to fund the third (of five) phase of the Fire Safety projects. This surcharge amount reflects a \$19 increase from the 2000/2001 surcharge of \$46 per semester.

The University has also identified other residence hall improvement projects including the continued funding of a housing depreciation fund that will increase to \$300,000 in the new budget. In addition to the Fire Safety Surcharge increase, an average 4.4 percent increase, or approximately \$41 per semester, is recommended for all residence halls to assist in funding these initiatives.

Analysis - Faculty and Staff Compensation:

Medical Insurance:

As in previous years, faculty and staff compensation is a primary budget priority. In December 2000, the University elected to increase its contribution to each faculty and staff medical insurance contract by \$840 (annualized), effective January 1, 2001.

The increase is incorporated in the new-year budget. An additional \$120 (annualized) per regular full-time employee has been built into the budget for anticipated rate increases on January 1, 2002.

The decision to increase the medical contribution by \$840 per year affects every regular full-time faculty and staff member. The University thus continues its longstanding practice of paying the full premium for the single base plan for each regular full-time faculty and staff member. This non-taxable compensation for each regular full-time employee is \$2,040/year (\$170/month).

Additionally, as a result of the decision last December, the University now further contributes \$40/month (\$480/year) for each regular full-time employee. The employee may elect to use the funds to either:

1. Purchase a better medical plan, or
2. Offset some of the added expense of the cost of the family plan, or
3. Use the funds for un-reimbursed medical expenses.

All regular, full-time employees have significantly benefited from this enhanced employee benefit. The total University contribution per contract for medical insurance is thus \$210 per month or \$2,520 annualized.

The total University contribution for medical insurance alone from Unrestricted Educational and General Revenues is budgeted at \$2,520,000 for the approximately 1,000 University employees.

Salary Pool:

The University has also built into the 2001/2002 Operating Budget a salary pool for faculty and staff of 5%. The salary pool is distributed based on employee evaluations. Additional information is provided in the Personnel Roster agenda item.

2001-2002 Budget Highlights

Academic Support Initiatives:

- Final year (3rd) funding of new faculty to support the Virtual MBA Program.
- 2nd year funding of a plan to increase Adjunct Faculty Pay.
- Additional operational support for the Space Science Center.
- The incorporation of funding support totaling \$320,500 for retention and enrollment growth from CPE Trust Funds.
- Additional funds to support the University's goal that all faculty have desktop computers.
- Additional funds for the library to support the increased costs in books and periodicals.

- Additional funds to support the recurring costs of technology and software to deliver credit hour courses via the Kentucky Virtual University.
- New faculty development funds totaling \$69,100 from CPE Trust Funds.
- Unbudgeted, but planned funding totaling \$1,435,000 from the CPE Action Agenda available on or about July 1, focusing on Teacher Education initiatives, student retention, institutional marketing (enrollment) and the Center for Traditional Music.
- Continuation of fund balance support for classroom and other academic facility improvements
- Support for new or replacement classroom equipment and additional funding for multi-media classrooms.
- Increased funding for faculty research and creative fellowships.
- Transfer of \$300,000 from the Institute for Research and Public Policy to enhance the Program of Distinction Endowment.

Student Support Initiatives:

- Increase in the Honor's Program operating budget.
- Funding for new emergency phones and CCTV equipment for parking lot security.
- Funding for Butler Hall air conditioning improvements related to the Honors Program.
- Funding to continue the remodeling of the Gilley (student) Apartments.
- Phase I funding of a multi-year plan to modernize Normal Hall – student family housing.
- Funding for the development of the U.S. 60 South parking lot.
- Funding to initiate the planning and reuse of the land (former trailer park) on the east end of the campus.
- Additional funds to replace equipment in the Student Wellness Center.

Institutional (General) Support Initiatives:

- Maintenance and operational support for the new Extended Campus Center in West Liberty coming on line in December.
- Funding for the new Vice President for Development position and increased operational support for development and alumni relations.
- Funding for the new full-time in-house legal counsel position.
- Enhanced funding support for multicultural initiatives focusing on African/American student recruitment, retention and support.

Recommendation:

That the Board approve the recommended 2001/2002 Operating Budget, which totals \$87,397,000, and the 2001/2002 Fee Schedule.

APPROVE THE 2001/2002 PERSONNEL ROSTER

BOR (V-A-21)

June 8, 2001

Background:

The 2001/2002 Personnel Roster, presented with this agenda as a separately bound document, contains a listing of the recommended authorized positions as of July 1, 2001. Funding for each position listed in the roster has been provided for in the proposed 2001/2002 Operating Budget.

The personnel roster is organized by division, with exempt (salary) and non-exempt (hourly) positions listed separately. The following information is shown for each position:

- Position ID number
- Employee currently holding the position
- Position title
- Appointment status if not a regular, full-time appointment
- Recommended 2001/2002 salary for the position
- Current salary for the position
- Contract months for exempt employees

Analysis:

A total of 991.85 full-time equivalent (FTE) positions are recommended for the fiscal year ended June 30, 2002. A comparison of the recommended 2001/2002 position strength by employee classification to the 2000/2001 opening and amended authorizations follows:

	Opening 2000/2001	Amended 2000/2001	Recommended 2001/2002
Faculty	342.75	351.00	354.50
Exempt Staff	292.97	293.30	297.30
Non-Exempt Staff	<u>334.55</u>	<u>341.05</u>	<u>340.05</u>
	<u>970.27</u>	<u>985.35</u>	<u>991.85</u>

A 5 percent general salary increase pool has been included in the 2001/2002 Opening Budget. In addition, \$92,971 for promotions, position reclassifications and career ladder salary adjustments effective in the new fiscal year have been included in the 2001/2002 Opening Budget. In addition to salary increases, regular full-time employees will receive other compensation related benefits. These benefits are summarized on the following two pages.

Faculty and Librarians:

A 5 percent general salary increase pool was distributed to faculty and librarians based on performance. Pursuant to the faculty merit system, faculty and librarians must meet minimum expectations to receive any salary increase. In addition to the 5 percent general salary increase pool, a total of 19 faculty and librarian promotions are included in the 2001/2002 Operating Budget and 2001/2002 Personnel Roster. Other salary funds were reallocated within the Division to address specific retention and equity concerns.

Exempt and Non-Exempt Staff:

A 5 percent general salary increase pool for exempt and non-exempt staff is also included in the proposed 2001/2002 Operating Budget. Staff members are eligible for a 3 percent across-the-board salary increase and additional salary increases from a 2 percent merit pool.

In addition to the general salary increase pool, staff members may receive salary increments through position reclassifications and, in limited circumstances, career ladder programs. Ten non-exempt staff members will receive salary adjustments as a result of reclassifications and 2 exempt staff members and 8 non-exempt staff members will receive salary adjustments as a result of fulfilling career ladder requirements. Other salary funds were reallocated within the Divisions to fund promotions and address specific retention and equity concerns.

Recommendation:

That the Board approve the 2001/2002 Personnel Roster.

**MOREHEAD STATE UNIVERSITY
FACULTY AND STAFF COMPENSATION INCREASES
2001-2002**

Faculty and Professional Librarians:

Total Base Salaries	\$ 16,981,395
* Average Faculty & Librarian Salary	\$ 45,527

	Amount	% Increase
Compensation Increases:		
General Salary Pool Increase	\$ 849,070	5.00%
Medical & Dental Insurance Contribution	353,986	2.08%
Other Fringe Benefits	190,846	1.12%
Promotions	39,000	0.23%
Total Compensation Increases	\$ 1,432,902	8.43%

Staff:

Total Base Salaries	\$ 16,784,084
** Average Staff Salary	\$ 26,898

	Amount	% Increase
Compensation Increases:		
General Salary Pool Increase	\$ 839,204	5.00%
Medical & Dental Insurance Contribution	589,354	3.51%
Other Fringe Benefits	153,793	0.92%
Reclassifications	75,558	0.45%
Career Ladders	21,377	0.13%
Total Compensation Increases	\$ 1,679,286	10.01%

* Average Faculty & Librarian Salary is based on 373 roster positions as of May 7, 2001

**Average Staff Salary is based on 624 roster positions as of May 7, 2001

**Increase in Medical and Dental Contributions
by MSU for 2001-2002**

Increase in medical contributions	Increase in dental contributions	Total increase in medical and dental contributions
\$ 910	\$ 24	\$ 934

**AVERAGE PERCENTAGE INCREASE IN NON-TAXABLE INCOME
FOR STAFF BY GRADE CALCULATED BASED ON THE INCREASE
IN MEDICAL & DENTAL CONTRIBUTION FOR 2001-2002**

Salary Grade	Average salary by grade (actual)*	Average Percent
Nonexempt**		
1	\$ 13,962	6.69%
2	15,210	6.14%
3	15,932	5.86%
4	18,720	4.99%
5	20,261	4.61%
6	23,790	3.93%
Exempt		
1	\$ 16,625	5.62%
2	22,785	4.10%
3	26,245	3.56%
4	31,305	2.98%
5	36,529	2.56%
6	39,924	2.34%
7	48,934	1.91%
8	59,533	1.57%
9	62,938	1.48%

* Excluding Technology pay scales

** Annualized for non-exempt employees, based upon
1,950 hours per year

**AVERAGE PERCENTAGE INCREASE IN NON-TAXABLE INCOME
FOR FACULTY BY RANK CALCULATED BASED ON THE INCREASE
IN MEDICAL & DENTAL CONTRIBUTION FOR 2001-2002**

Rank	Average salary by Rank	Average Percent
Asst. Prof.	\$ 40,897	2.28%
Assoc. Prof.	45,486	2.05%
Professor	58,180	1.61%

FINAL REPORT ON SPRING ENROLLMENT, 2001**BOR (V-B-1)
June 8, 2001****HEAD-COUNT ENROLLMENT**

	Spring	% Increase/Decrease
1997	7,748	0.1
1998	7,787	0.5
1999	7,679	-1.4
2000	7,559	-1.6
2001	7,845	3.8

FULL-TIME EQUIVALENCY

	Spring	% Increase/Decrease
1997	5,930	0.6
1998	5,901	-0.5
1999	5,791	-1.9
2000	5,705	-1.5
2001	5,920	3.8

CREDIT-HOUR PRODUCTION

	Spring	% Increase/Decrease
1997	92,192	0.6
1998	91,597	-0.6
1999	89,895	-1.9
2000	88,616	-1.4
2001	91,725	3.5

REPORT ON 2002-2008 SIX-YEAR CAPITAL PLAN

**BOR (V-B-2)
June 8, 2001**

Background:

The University's 2002-2008 Six-Year Capital Plan, which details capital projects with an estimated scope of \$400,000 or more and equipment purchases with an estimated scope of \$100,000 or more, was submitted to the Capital Planning Advisory Board and the Council on Postsecondary Education on April 16, 2001. This plan will be used as the basis for the development of the 2002-2004 Executive Budget Capital Request. The Executive Budget Capital Request will be presented to the Board for approval later this year.

The Six-Year Capital Plan includes numerous capital and equipment projects, which would require approximately \$150 million from various fund sources during the next three biennia (2002-2008). The University's foremost priorities are projects that significantly impact our students, and will contribute to the enrollment and retention of students.

The Six-Year Capital Plan is presented with this agenda book as a separately bound document. The plan includes the following sections:

1. Overview

The Six-Year Capital Plan Overview provides a general description of the summary of academic programs and delivery of services, the University's mission, an assessment of capital needs, and the institution's capital planning priorities.

2. Summary Listing

The Capital Projects Summary Listing includes all capital projects and equipment items in priority order. The estimated cost and proposed fund source are provided for each project. Definitions for the various fund sources follow:

- State Bonds – Bonded indebtedness issued by the State for which the debt service payments will be managed by the State.
- State General Funds – Direct state appropriations designated in the Budget of the Commonwealth for a specific line item.
- Agency Bonds – Bonded indebtedness issued by the University for which debt service payments will be made by the University from institutional revenues.
- Agency Funds – University funds.
- Other Funds – External funds granted to the University for a specific capital project.

3. Project Descriptions

A general description for each project in the Six-Year Capital Plan is provided including a brief narrative, the estimated cost, the proposed fund source, and the priority ranking.

REPORT ON NCAA SPECIAL ASSISTANCE FUND

BOR (V-B-3)

June 8, 2001

Auditor's Opinion:

It is the opinion of the Office of Internal Audits that the internal control environment related to the administration of the NCAA Special Assistance Fund is acceptable and that the Office of Athletics is in compliance with the *NCAA Special Assistance Fund Guidelines*.

Background:

The 1999-00 NCAA revenue distribution plan, approved by the NCAA Division I Board of directors, distributed \$10 million to Division I conferences to assist student-athletes with special assistance needs. Funds are distributed evenly to each member institution of the Ohio Valley Conference (OVC) in August. Any institution which has a larger balance of unspent funds at the end of the fiscal year (June 30), greater than the amount of the next year's distribution will not receive their proportional share. Those undistributed funds remain at the conference office to be provided to other member schools that request and are eligible to receive funds. The requesting school is required to provide a written explanation of why excess funds are needed and the current balance of special assistance funds on hand.

The guiding principles of the fund are to meet student-athletes' needs of an emergency or essential nature for which financial assistance otherwise is not available. During the current fiscal year, the University has received \$44,786 from the OVC and distributed \$39,945 to 80 student athletes. The responsibility for oversight and administration of the fund, including interpretations, rests solely with the conferences.

The *NCAA Special Assistance Fund Guidelines* states that the following student-athletes are eligible to apply for funds:

1. Pell-eligible student-athletes (except non-qualifiers in their initial year of residence), including student-athletes who have exhausted their athletics eligibility or no longer are able to participate because of medical reasons.
2. Student-athletes who are receiving countable athletically related financial aid and who have demonstrated financial need as determined by an analysis conducted consistent with federal methodology used for all students at the institution.
3. For a foreign student-athlete, an official foreign student-athlete advisory entity of the institution outside the athletics department must certify in writing that the student-athlete has financial need.

Uses of the Special Assistance fund are restricted to the following:

1. Cost of clothing and other essential expenses (not entertainment) up to \$500 for Pell-eligible student-athletes and full and partial grant-in-aid student-athletes who demonstrate financial need.

2. Cost of expendable academic course supplies (e.g., notebook and pens) and rental of nonexpendable supplies (e.g., computer equipment and cameras) that are required for all students enrolled in the course.
3. Medical and dental costs not covered by another insurance program (e.g., premiums for optional medical insurance, hearing aids, vision therapy and off-campus psychological counseling).
4. Costs associated with student-athlete or family emergencies.

Per a January 10, 2001 directive from the Office of the Commissioner of the Ohio Valley Conference, Athletic Directors at each member institution were instructed to document a process to determine that each student-athlete is eligible to receive the Special Assistance funds and have documentation to support each disbursement. They were further instructed that each institution should subject these funds to an institutional review and verification of expenditures by a non-athletics department employee.

The Office of Athletics at Morehead State University has developed procedures related to the administration of the NCAA Special Assistance fund. These procedures include requirements for student-athletes to submit an application to receive funds, an approval process involving the University's Compliance and Education Services Director, the Director of Athletics, the Director of Financial Aid and the Director of Accounting and Budgetary Control, and procedures for a filing/reporting process.

Scope and Objectives:

The objectives of the review were:

1. To determine the adequacy of the Office of Athletics' internal controls over expenditures and disbursements related to the NCAA Special Assistance fund.
2. To determine if the applicable Office of Athletics' policies and procedures related to the administration of the NCAA Special Assistance fund were being complied with in the processing of expenditures.

The scope of the review was limited to applications submitted by student-athletes and disbursements made during the current fiscal year.

Significant Audit Issues:

During the course of the review, no significant audit issues were noted related to the administration of the NCAA Special Assistance fund.

REPORT ON ONE-CARD PROGRAM

BOR (V-B-4)

June 8, 2001

Background:

The University has awarded a contract for implementation of a one-card program. The contract was awarded to Schlumberger, a leading company in the multi-function, card access technology industry.

Implementation of the program has begun. New identification cards will be printed for existing students for distribution at the start of the fall semester. New students attending orientation sessions during the summer will have cards printed and distributed during those sessions.

The newly designed cards will have a magnetic stripe on the back and a computer chip on the front. The stripe and chip will provide access to goods and services on campus, and eventually within the Morehead community. Functions scheduled to be on-line for the fall 2001 semester include continued access to dining programs via the magnetic stripe, and new access to snack and soft drink vending products, laundry facilities, copiers, and laser printers through the computer chip.

Students, faculty and staff will also have access to banking services with their MSU identification cards in the future. An RFP has been issued to select a banking partner for the services. Student financial aid funds in excess of fees will be transferred to an account with the banking partner. Those funds will be accessible to the students either through ATMs or activating a demand deposit account. Students, faculty and staff can also have payroll deposited directly into an account accessible with the identification card rather than receiving a paper check.

The banking services are scheduled to be available in August on an optional basis for any student, faculty or staff member having an account with the banking partner. The transfer of financial aid funds will be implemented possibly as soon as the spring semester of 2002, but in no event later than the fall semester of 2002.

REPORT ON LAKEWOOD HOUSING

The Finance and Administration Cabinet has awarded a contract to Packs' Inc./T&O Designers for the construction of a new 28-unit Lakewood Terrace Family Housing Complex. Construction has begun and is to be completed on or before April 26, 2002. Packs' Inc. is a Morehead, Kentucky corporation.

Packs' Inc./T&O Designers was selected through a Request for Proposal process and competed with design build teams Messer/Sherman-Carter-Barnhart and CMW/Codell. Bids from the three finalists were as follows:

CMW/Codell	\$3,010,000
Messer/ Sherman-Carter-Barnhart	\$3,109,000
Packs'/T & O	\$3,188,000

Pack's, Inc./T & O received the highest evaluation and total score based on the proposal evaluation process developed by the Finance and Administration Cabinet and Luckett and Farley, the project's consulting architect. Housing and Dining System Revenue Bonds will be sold to finance the construction of the new complex.

**REPORT OF MAJOR GIFTS SINCE
FEBRUARY 1, 2001 THROUGH APRIL 30, 2001**

**BOR (V-B-6)
June 8, 2001**

The following is a list of gifts of \$10,000 or more that have been received and/or recorded since February 1, 2001, on behalf of the University in accordance with terms of the operating agreement between Morehead State University and the MSU Foundation, Inc.

<u>Amount</u>	<u>Donor(s)</u>	<u>Type or Purpose</u>
\$10,000	Bing Crosby	Gift-in-Kind (livestock)
\$15,000	William Blair	Eagle Baseball Lights
\$66,615	Mountain Telephone	Scholarship
\$150,000	C. Louise Caudill Estate	Scholarship
<hr/>		
\$241,615		

REPORT OF PRIVATE GIVING
JULY 1, 2000 THROUGH APRIL 30, 2001

BOR (V-B-7)
June 8, 2001

Private gifts to Morehead State University for this period are as follows:

Giving Summary

Scholarships	\$ 123,269.00
Endowments	\$ 728,608.00
Gifts-in-kind	\$ 194,829.00
Eagle Athletic Fund	\$ 111,048.00
Unrestricted	\$ 75,459.00
Colleges, Departments, and Other Units	<u>\$ 199,091.00</u>

Sub-Total	\$ 1,432,304.00
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State Matching Funds	<u>\$ 1,475,000.00</u>
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TOTAL	\$ 2,907,304.00
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**STATUS OF STATE ENDOWMENT
MATCHING FUNDS, 2000-2002**

**BOR (V-B-8)
June 8, 2001**

The 1997 Higher Education Reform Act created the Regional University Excellence Trust Fund (RUETF) for the purpose of establishing Programs of Distinction and for providing state matching funds in response to private support of endowed chairs, endowed professorships, endowed graduate fellowships and other endowments at the six regional universities. The 1998 General Assembly appropriated \$10 million to the fund to match eligible endowment gifts during the 1998-2000 biennium of which \$1.475 million was designated for Morehead State University on the basis of a 1:1 match of state funds to institutional funds. Thirteen endowments were created in the MSU Foundation through private gifts and gift pledges to match the entire amount.

The 2000 General Assembly added \$20 million to the fund, of which \$2,925,000 was earmarked for Morehead State University for the period ending June 30, 2002. Through April 19, the CPE has matched \$1,109,866 in three new and two existing endowments submitted by Morehead State University in the first year of the current biennium. Another \$315,134 is awaiting submission to the CPE for two new endowments and one existing endowment.. Endowment gifts matched thus far in this fiscal year include:

- *Dr. C. Louise Caudill Endowment for Allied Health Professions.....\$174,700
To support a professorship in allied health professions in the College of Science and Technology.
- *Adron Doran Endowment for Educational Leadership.....\$27,554
To support a professorship in the College of Education.
- **Allen Lake Endowment for Biological Sciences.....\$57,500
To provide partial funding of a professorship in biological science in the College of Science and Technology.
- **Clifford R. and Addie R. Rader Scholarship Endowment.....\$600,112
To support nursing scholarships in the College of Science and Technology.
- **Elmer and Donna Smith Endowment for Business.....\$250,000
To support a professorship in information sciences in the College of Business.

TOTAL \$1,109,866

*addition to existing endowment

**new endowment